COSTS, MERCHANDISING PRACTICES,
ADVERTISING AND SALES
IN THE
RETAIL DISTRIBUTION OF CLOTHING

ADVERTISING METHODS
AND
EXPENSES

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Costs, Merchandising Practices, Advertising and Sales in the Retail Distribution of Clothing

BY

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IN CO-OPERATION WITH THE
NATIONAL ASSOCIATION OF RETAIL CLOTHIERS

VOLUME IV

ADVERTISING METHODS, EXPENSES AND EXPENSE RATIOS, 1919, 1918, AND 1914

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PREFACE

This analysis of Advertising Methods, Expenses and Expense Ratios, 1919, 1918, and 1914, constitutes Volume IV in the series of studies on Costs, Merchandising Practices, Advertising and Sales in the Retail Distribution of Clothing. It is the last in the series on expenses and, with Volumes II and III, completes the discussion of that phase of the distribution of clothing.

In earlier volumes, attention was called to the fact that, while the data refer solely to retail clothiers, they have more far-reaching significance. This is particularly true, it is felt, concerning the data on advertising. Never before, so far as is known, has the subject of advertising for a single phase of retail distribution been subjected to as fundamental and comprehensive an analysis. From the data available, it has been possible not only to study advertising expenditure as a total, but also to express it in relation to sales and total expense, and thus to develop a series of ratios for stores of different size and location. By means of these ratios, the experience of different stores has been placed upon a comparable basis. The amounts of advertising expenditure alone mean little. It is only when they are placed in relationship to sales and to total expense, and when the different methods of advertising and the amounts expended for them are placed in relation to each other in terms of a common unit, that they become significant for comparative purposes.

It is hoped that the discussion of advertising will prove of interest not only to clothiers, but also to advertising agencies, and manufacturers of clothing, and that it will shed some light upon the much controverted topic of the function of advertising in modern distributive processes. From this point of view, the volume may be of interest also to the general public.

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I. INTRODUCTION

THE nature of the treatment of advertising methods and expenses in this volume is the same as that used in the discussion of rent, and wages and salaries in Volume II, and of general expense, bushelling expense, and total expense in Volume III. So far as the contents of the volumes are different, the methods, of course, are adjusted to meet them. Wherever they are alike, there is uniformity in the nature of the discussion.

In Section III, yearly expenditures for advertising in retail clothing stores, 1919, 1918, and 1914 are compared first, in terms of the amounts of expense per store from year to year; second, in terms of net sales for stores classified by size; third, in terms of the relation which they bear to total expense; and fourth, in terms of the relationship which they bear to expenditures for rent, for wages and salaries, and for general expense. The amounts of expenditures measured in terms of sales, total expense, rent, wages and salaries, and general expense are classified for stores of different size and location.

In Section IV, the yearly expenditures for the more important types of advertising are discussed for stores classified according to the amount of their annual sales and their location in small or large cities. From the information supplied, one may compare both the actual and the relative expenditures for these methods and determine those that are characteristic in stores of different size and location.

In Section V, the relation of advertising expenditures to total net sales for the years 1919, 1918, and 1914, combined and individually, is discussed for stores selling different proportions of men's furnishings and clothing and also for stores selling different numbers of suits of clothing. The purpose of this part of the volume is to determine the effect, if any, which advertising has upon the amount of business done and to compare advertising expenditures in stores handling different proportions of clothing and furnishings. The reader, it is believed, will find this discussion interesting. So far as is known, there is nothing in the literature on advertising which parallels it and which, in the same way, shows so clearly the relation of advertising to modern distributive processes.

The discussion of advertising is detailed, but no excuse for this seems to be necessary. This volume may rightly be considered as an encyclopedia of advertising data. It is not intended to be read at a single sitting, but rather to be studied; to be used by clothiers as the basis for constructive advertising programs; and to furnish standards by which they may gauge their practices, not only in the methods by which they advertise their goods, but also in the amounts

which they spend for these purposes.

It is hoped that the graphic parts of the tables and charts will make it easier for the reader to study the details and to appreciate the relations which are established. To this end, attention has been given to the method of presenting the data, and every care used to free the discussion from ambiguity and to present the material in a consistent and readable form.

II. SUMMARY

THIS part of the volume contains in brief form the more important conclusions and ratios concerning expenditures for advertising in retail clothing stores. A summary is supplied largely for purposes of reference and for the reader's convenience. It is not designed to take the place of the detailed discussion. It should be considered as a summary, and read in connection with the fuller discussion of the topics to which it relates.

1.—YEARLY EXPENDITURES FOR ADVERTISING IN RETAIL CLOTHING STORES, 1919, 1918, AND 1914.

Advertising expense is used in this study as defined on page 287. The part of the questionnaire relating to advertising will be shown in Volume VI, in which the entire schedule will be reprinted.

A.—Yearly Expenditures for Advertising per $100 of Total Net Sales.

The average amount of expenditure for advertising per $100 of total net sales for the three years 1919, 1918, and 1914, combined, is $2.07. This average is based upon the experience of 881 store-years, $79,441,369 of total net sales, and $1,645,968 of advertising expense. The average amount spent for this purpose in 1919 was $1.98; in 1918, $2.04; and in 1914, $2.51. That is, the amounts decreased between 1914 and 1918, and also between 1918 and 1919. These averages refer to advertising expense expressed in terms of total net sales. They do not apply to the actual amounts of advertising expense for the combined or for the individual years. Between 1914 and 1919, both sales and advertising expense per store increased noticeably. In spite of this fact, however, advertising expense per $100 of total net sales decreased.

From an analysis of the amounts of advertising expenditures for stores classified by size, for the years 1919, 1918, and 1914, combined and individually, the following conclusions may be drawn:

(1). The amounts spent increase noticeably with the increased size of store. This is true not only for a varying number of stores, but also for identical stores for each of the years.

(2). The average amount spent for advertising decreased between 1914 and 1918, as well as between 1918 and 1919, not only for all stores considered as a total, but likewise for stores of different size. For individual groups of stores, there are exceptions to this general rule. These are shown in the detailed tables bearing on this topic.

When stores are classified by the size of the cities in which they are

located, the amounts spent for advertising per $100 of total net sales increase as cities increase in size. For the combined years, the minimum expenditure is found for stores located in cities with population of less than 10,000. From this minimum, the amounts increase consistently until they reach a maximum for the stores in cities with population of 440,000 and over. The average for the combined period for all stores is $2.07. The minimum is $1.28 and the maximum, $3.61. Similar differences obtain for each of the individual years, but it is unnecessary to comment upon them here. The actual amounts spent for advertising by stores in the different city-groups are found in the detailed tables.

From an analysis of the data for both identical and a varying number of stores, it may be concluded as follows:

(1). The amounts of advertising expense per $100 of total net sales are larger for stores in large than they are for stores in small cities. This condition obtains not only for the combined years, but also for the individual years.

(2). While there is an *increase* of 57.8 per cent., between 1914 and 1919, in the advertising expense per store, for stores located in cities with population under 40,000, there is a *decrease* of 24.3 per cent. in the amount of advertising expense per $100 of total net sales for the same stores for the same period. Similarly, an *increase* of 122.1 per cent. in the amount of expenditure for advertising per store between 1914 and 1919, for stores located in cities with population of 40,000 and over, is accompanied by a *decrease* of 13.9 per cent. in advertising expenditure per $100 of total net sales for the same stores for the same period.

(3). The average amount of advertising expense per store for the three years 1919, 1918, and 1914 is approximately five times as great for stores in large as it is for stores in small cities, while the amount of advertising expense per $100 of total net sales is not more than one and three-quarters times as large.

(4). An increase of 122.1 per cent. in advertising expense per store, between 1914 and 1919, for stores in large cities is accompanied by an increase of 157.9 per cent. in sales for the same stores; while an increase of 57.8 per cent. in advertising expense per store, for stores in small cities for the same period, is accompanied by an increase of 109.1 per cent. in sales. This seems to indicate, for this period, that a part of the advertising

by stores in large cities did not result in sales, or, at least, was not as effective in securing sales as was the advertising by stores in small cities.

When stores are classified according to size, as well as by the size of the cities in which they are located, it is found that the average amount of expenditure for advertising per $100 of total net sales, for stores in small cities for the combined years, is $1.52. For the same period, the average for the stores in cities with population of 40,000 and over is $2.67. The amounts of advertising expense, so expressed, increase with the size of the stores, both in the small and in the large cities. Similar ratios and increases hold for each of the individual years. These are set out in detail in the tables bearing on this phase of the discussion.

In a word, the discussion relating to expenditures for advertising in terms of total net sales, for stores of different size and location, may be summarized as follows:

(1). Both sales and advertising expense per store increased between 1914 and 1919. Between these years, the rate of increase of sales was approximately double that for advertising.

(2). Advertising expense per $100 of total net sales decreased between 1914 and 1918, and between 1918 and 1919.

(3). The amounts of advertising expense per $100 of total net sales increase directly with the size of the stores. This is true not only for identical, but also for a varying number of stores.

(4). Stores in large cities spend more for advertising in proportion to their sales than do those in small cities. This is true for all stores, as well as for stores of the same size. The ratio of advertising expense per $100 of total net sales shows a higher rate of decrease between 1914 and 1919 in small than it does in large cities.

B.—Yearly Expenditures for Advertising per $100 of Total Expense.

Based upon the experience of 881 store-years, for the years 1919, 1918, and 1914 combined, $18,148,743 of total expense, and $1,645,968 of advertising expense, the average amount of advertising expense in terms of total expense is $9.07. In 1919, the amount was $9.13; in 1918, $8.52; and in 1914, $10.15. That is, between 1914 and 1918 the amounts decreased, and between 1918 and 1919 they increased.

When stores are classified by size, for the years 1919, 1918, and 1914, combined and individually, both the actual amounts spent for advertising and the amounts spent for this purpose in relation to total expense in-

crease with the size of the stores. The nature of this increase from year to year and from store-group to store-group is brought out in the tables bearing on this phase of the subject.

When stores are classified by geographical divisions of the United States, the amounts for stores in the East and the East North Central exceed the average, while the amounts for the stores in the South, the West North Central, and the West are less than the average. On the whole, however, the averages for the different geographical divisions are strikingly uniform. In each of the various regions of the country, the amounts decreased between 1914 and 1918, and increased between 1918 and 1919.

The amounts of advertising expense in relation to total expense, for stores of different size and location, may be summarized as follows:

(1). Between 1914 and 1918 they decreased, and between 1918 and 1919 they increased. This condition characterizes the stores when averaged as a whole and when classified by size.

(2). For the combined and individual years, the expenditures per $100 of total expense increase as the stores increase in size. That is, the nature of the change in advertising expenditures in terms of total expense and total net sales, for stores of different size, is identical.

C.—Yearly Expenditures for Advertising per $100 of Expenditures for Rent, for Wages and Salaries, and for General Expense.

For the combined years 1919, 1918, and 1914, the amount of advertising expenditure per $100 of rent was $84.04. In 1919, it was $98.01; in 1918, $77.71; and in 1914, $72.37. That is, between 1914 and 1918, and between 1918 and 1919, expenditures for advertising increased faster than expenditures for rent.

When stores are classified by amounts of total net sales, their advertising expenditures in terms of rent increase from $52.98 for stores with sales under $40,000, to $114.35 for stores with sales of $180,000 and over. That is, the amounts spent for this purpose increase as the size of the store increases.

The average amount of advertising expense per $100 of expenditures for wages and salaries, for the three years 1919, 1918, and 1914, combined, is $16.67. In 1919, it was $16.69; in 1918, $15.35; and in 1914, $18.75. That is, between 1914 and 1918 the amounts decreased, and between 1918 and 1919 they increased. When stores are classified by size, the amounts of expenditure for advertising per $100 of expenditures for wages and salaries increase as the stores increase in size. The amount, for the combined years, spent by stores with sales under $40,000 is $14.19. For the stores with annual

sales of $180,000 and over, it is $18.52.

The average amount of advertising expense per $100 of general expense, for the combined years, is $40.48. In 1919 it was $41.21; in 1918, $37.33; and in 1914, $43.88. That is, between 1914 and 1918 the amounts decreased, and between 1918 and 1919 they increased.

When the stores are classified by size, those with annual sales under $40,000 spend $31.89 for advertising per $100 of general expense, while those with annual sales of $180,000 and over spend $44.61. That is, the amounts increase directly with the size of the stores.

It is impossible briefly to summarize this part of the discussion. Inasmuch as it involves subjects treated in Volumes II and III, the reader is urged to consult the text discussion and charts bearing upon these topics, both in this and in the other volumes.

2.—YEARLY EXPENDITURES FOR SPECIFIED TYPES OF ADVERTISING IN RETAIL CLOTHING STORES, 1919, 1918, AND 1914.

A.—Frequency of Use of Different Methods of Advertising by Retail Clothing Stores and the Number of Methods Used.

Based upon data for 632 store-years during the period 1919, 1918, and 1914, newspaper advertising was found to be the most common method used by clothing stores. The other more important methods named below are given in the order of the frequency with which they are used: style books, catalogs, and calendars; programs, college papers, etc.; mail advertising; moving picture advertising; billboards and electric signs. Of the stores reporting their methods of advertising, nine out of every ten use newspapers, and two out of five use billboards and electric signs. The frequency with which each of the different methods is used is shown in Table 35.

For all stores, irrespective of size, the most characteristic number of different methods of advertising used is four to six. Generally speaking, the smaller the store the fewer the different methods which are employed. How true this is, is shown in actual and graphic form in Table 36.

B.—Yearly Expenditures for Newspaper Advertising.

The amount of expenditure for newspaper advertising per $100 of total net sales, based upon the experience of stores covering 1919, 1918, and 1914 combined, is $1.59. In 1919 it was $1.55; in 1918, $1.57; and in 1914, $1.81. These amounts are based upon a varying number of stores for each of the individual years. For a group of 124 identical stores, the average amount is $1.62. In 1919 it was $1.60; in 1918, $1.53; and in 1914, $1.81. When stores are classified by the amount of their total net sales, the following conclusions

hold respecting the amounts of expenditure for newspaper advertising:

(1). The average amount in terms of net sales is approximately twice as great for stores located in cities with population of 40,000 and over, as it is for stores located in cities with population under 40,000.

(2). The amounts increase with the size of the stores both in large and in small cities, the rate of increase being greater for stores in large than for stores in small cities.

Based upon the experience of 562 store-years, covering the years 1919, 1918, and 1914 combined, $67.24 out of every $100 of total advertising expense is spent for newspaper advertising. In 1919 it was $67.28; in 1918, $65.95; and in 1914, $69.95. For a group of identical stores, the average amount for the three years is $70.61. In 1919 it was $71.90; in 1918, $69.25; and in 1914, $70.01. From the data available on the relation of expenditures for advertising to total advertising expense for stores classified by size and location, the following conclusions may be drawn:

(1). The amounts spent for this purpose are higher for stores in large cities than for stores in small cities.

(2). The amounts spent decrease with the increased size of stores in small cities and increase with the increased size of stores in large cities.

C.—Yearly Expenditures for Advertising by Means of Billboards and Electric Signs.

(1). On the average, for the years 1919, 1918, and 1914 combined, $0.23 per $100 of total net sales is spent for advertising by means of billboards and electric signs. In 1919 the amount was $0.21; in 1918, $0.24; and in 1914, $0.24. From 1914 to 1919 the amount spent for this purpose in terms of net sales decreased.

(2). The amounts, in terms of total net sales, spent by stores in small cities are less than the amounts spent by stores in large cities.

(3). On the whole, the amounts seem to decrease with the increased size of stores located in small cities, but the reverse condition holds for stores located in large cities.

Out of every $100 of total advertising expense, the average amount spent for this purpose during the years 1919, 1918, and 1914 combined, is $8.44. In 1919 the amount was $8.09; in 1918, $8.89; and in 1914, $8.73. That is, the amounts increased between 1914 and 1918, and decreased between 1918 and 1919.

D.—Yearly Expenditures for Mail Advertising.

The average expenditure for mail advertising per $100 of total net sales is $0.18 for the years 1919, 1918, and

1914 combined. In 1919 it was $0.16; in 1918, $0.20; and in 1914, $0.22. That is, there was a decrease between 1914 and 1918, and between 1918 and 1919. There is nothing conclusive in the data to indicate that expenditures are higher for stores in small than for stores in large cities. The detail concerning this point should be consulted in the body of the text. On the whole, however, the amounts spent, expressed in terms of sales, decrease as the size of the stores increases, but to this rule there are many exceptions.

On the basis of the experience of 278 store-years for 1919, 1918, and 1914 combined, $7.02 out of every $100 of total advertising expense is devoted to mail advertising. An analysis of the data for stores of different size and for the different years points to the following conclusions:

(1). The average amounts spent decreased between 1914 and 1918, and between 1918 and 1919.

(2). The average amounts spent, generally speaking, decrease as the stores increase in size.

(3). The average amounts spent by stores in small cities are essentially twice as large as the amounts spent by stores located in cities with population of 40,000 and over. From year to year this relationship varies, but every year the amounts are larger for the stores in small cities.

E.—Yearly Expenditures for Advertising by Means of Style Books, Catalogs, and Calendars.

The average amount spent for advertising by means of style books, catalogs, and calendars during the years 1919, 1918, and 1914 was $0.13 per $100 of total net sales. An analysis of the data on expenditures for this purpose for the years 1919, 1918, and 1914, for stores of different size and location, points to the following conclusions:

(1). The average amounts spent decreased between 1914 and 1918, and between 1918 and 1919.

(2). The average amounts spent by stores in small and by stores in large cities are essentially uniform.

(3). The average amounts spent decrease as the stores increase in size. There are exceptions to this rule, however, and the reader should consult the text on this topic.

Out of every $100 of total advertising expense, $5.80 was spent for this method of advertising during the years 1919, 1918, and 1914. An analysis of stores of different size and location throughout the years 1919, 1918, and 1914 shows that the amounts spent for this purpose vary as follows:

(1). They decreased between 1914 and 1918, and slightly increased between 1918 and 1919.

(2). The amounts spent by stores in small cities exceed those spent by stores of corresponding size located in large cities.

(3). The amounts decrease as the size of the stores increases. This principle obtains not only for the combined years, but also for each of the individual years. Relatively, this method of advertising, when measured in terms of total advertising expense, is much more common for stores with small than for stores with large annual sales.

F.—Yearly Expenditures for Moving Picture Advertising.

The average amount of expenditure for moving picture advertising, per $100 of total net sales, for the years 1919, 1918, and 1914 combined, is $0.09. For 1919 it was $0.09; for 1918 it was $0.11; and for 1914, $0.10. An analysis of the data on expenditures for this method of advertising, for stores classified by size and location, points to the following conclusions:

(1). The amounts per $100 of total net sales increased between 1914 and 1918, and decreased between 1918 and 1919.

(2). Generally speaking, the amounts decrease as the stores increase in size, but to this general rule there are many exceptions.

(3). Stores in the large cities spend more on the average for this purpose in terms of total net sales than do those in small cities. There are exceptions to this rule likewise, and the reader should consult the tables in which these are set out in detail.

Out of every $100 of total advertising expense, $4.76 was spent for moving picture advertising. An analysis of the details points to the following conclusions:

(1). The amounts increased between 1914 and 1918, and decreased between 1918 and 1919.

(2). Based upon the experience of the combined years, they decrease as the stores increase in size. The changes with the size of stores in the different years, however, are erratic and concerning them it is difficult to draw hard and fast conclusions.

G.—Yearly Expenditures for Advertising in Programs, College Papers, etc.

The amount of expenditure for advertising in programs, college papers, etc., per $100 of total net sales for the years 1919, 1918, and 1914 combined, is $0.10. This amount, likewise, characterized stores for the years 1919 and 1918. In 1914, however, it was $0.13. From an analysis of the stores, when they are classified by size and location, which

reported data on this method of advertising, it may be concluded as follows:

(1). The amounts decreased between 1914 and 1918, and remained constant between 1918 and 1919.

(2). Stores located in cities with population under 40,000 spend, on the average, less for this purpose than do stores located in cities with population of 40,000 and over.

(3). The average amounts spent, measured in terms of net sales, are larger for small than for large stores. To this general principle, however, there are many exceptions. These are supplied in the detailed tables bearing upon this method of advertising.

Out of every $100 of total advertising expense, $4.38, on the average, is spent for advertising in programs and college papers. The amount in 1919 was $4.22; in 1918, it was $4.12; and in 1914, $5.84. Concerning the amounts spent for this purpose, when expressed in terms of total advertising expense, it may be concluded as follows:

(1). The amounts decreased between 1914 and 1918, and increased between 1918 and 1919.

(2). Stores in small cities spend more, on the average, for this purpose than stores in large cities. This condition holds for the combined as well as for the individual years.

(3). The amounts in terms of total advertising expense are larger for the small stores than they are for the large stores, notwithstanding the fact that the actual amounts spent by the large stores are greater than the amounts spent by the small stores.

3.—YEARLY EXPENDITURES FOR ADVERTISING PER $100 OF TOTAL NET SALES FOR STORES CLASSIFIED BY THE PROPORTION OF SALES OF MEN'S FURNISHINGS AND CLOTHING TO TOTAL NET SALES, AND BY NUMBER OF SUITS OF CLOTHES SOLD, 1919, 1918, AND 1914.

A.—Yearly Expenditures for Advertising per $100 of Total Net Sales for Stores Classified by the Amounts of Sales of Men's Furnishings per $100 of Total Net Sales.

The average amount of advertising expense per $100 of total net sales, for stores without respect to the proportion of sales of men's furnishings per $100 of total net sales, is $2.38. Roughly, the amounts increase as the proportions of sales of men's furnishings to total net sales increase. This condition does not hold for stores in which the sales of men's furnishings constitute more than 40 per cent. of total net sales, but it does obtain for stores having sales of furnishings of

less than 40 per cent. This association, however, is probably due quite as much to the size of stores as to the type of goods sold. This follows from conclusions reached in Volume I, as well as from that part of this volume which bears upon this point. The reader is advised to consult both treatments.

B.—Yearly Expenditures for Advertising per $100 of Total Net Sales for Stores Classified by the Amounts of Sales of Men's Clothing per $100 of Total Net Sales.

The larger the proportion which sales of men's clothing bear to total net sales, the larger the amounts of expenditure for advertising per $100 of total net sales. This condition follows first, because amounts of advertising per $100 of total net sales increase as the stores increase in size; and second, because the larger the store, the larger the relative amount of clothing sold.

The direct correlation between the amounts of expenditure for advertising and the proportion of clothing sold is true for the combined years 1919, 1918, and 1914, as well as for the individual years. For the combined years, the minimum amount of advertising expense in terms of sales —$1.51—applies to stores having less than 20 per cent. of their sales represented by men's clothing. The amounts of advertising expenditure per $100 of total net sales regularly increase to $2.86 as a maximum. This amount characterizes stores which have between 50 and 60 per cent. of their sales represented by men's clothing. The relationships which obtain in each of the various years are treated in the text bearing on this problem, and it is unnecessary to summarize them here.

C.—Yearly Expenditures for Advertising per $100 of Total Net Sales for Stores Classified by the Number of Suits of Clothes Sold.

If the amounts of advertising expenditure per $100 of total net sales are expressed for stores in relation to the number of suits of clothes sold, it is possible to answer in the affirmative the following question: Does the number of suits of clothes sold per store increase as the amounts of advertising expenditure in terms of total net sales increase? Such a comparison, however, does not prove that sales are attributable solely to advertising, but it does suggest a causal connection between sales and advertising. Charts 7 and 8, relating to this comparison, it is felt, will merit careful inspection.

III. YEARLY EXPENDITURES FOR ADVERTISING IN RETAIL CLOTHING STORES, 1919, 1918, AND 1914

THE questionnaire used by the Bureau of Business Research in collecting expense and other data from retail clothing stores provided that expenses for advertising be distributed according to 13 distinct items for each of the years 1919, 1918, and 1914. The ratios which the amounts of expenditures for each of these items bear to total net sales and total advertising expense are discussed later in this report. This section has to do with the total amount expended for advertising in terms of net sales and total expense. "Advertising Expense" includes the total amounts which stores reported as having been expended for all advertising methods. It does not include, however, the salaries paid to employees, such as window trimmers and advertising men whose time in whole or in part was devoted to advertising. The stores which are studied from this point of view are distributed geographically on essentially the same basis as are those included in the sales analysis in Volume I.*

1.—YEARLY EXPENDITURES FOR ADVERTISING PER $100 OF TOTAL NET SALES, 1919, 1918, AND 1914.

The experience available for the study of advertising for the years 1919, 1918, and 1914 combined, is drawn from 881 store-years, $79,441,369 net sales, and $1,645,968 advertising expense. Based upon these amounts, the average ratios of advertising expense per $100 of total net sales is $2.07. The corresponding ratio for 367 stores in 1919 was $1.98; in 1918, for 322 stores, it was $2.04; and in 1914, for 192 stores, $2.51. The direction of the change in these ratios since 1914 is downward. The amount in 1919 was 95.7 per cent., while in 1918 it was 98.6 per cent. of what it was for the combined years. The corresponding relationship for 1914 was 121.3. This does not mean, of course, that the amount of advertising expense, as such, decreased during this period. It simply means that it decreased with respect to sales. On the contrary, both sales and advertising expense per store noticeably increased. The rate of increase for sales, however, exceeded that for advertising, with the consequent effect that the ratio of advertising to sales decreased.

The amounts of total net sales and advertising expense, together with the ratios of advertising to sales, for each of the three years and for the combined years, are shown in Table 1. The nature of the decreases in the ratios from 1914 to 1919 is shown graphically by the length of the bars.

* Page 17.

TABLE 1

TOTAL NET SALES, ADVERTISING EXPENSE, AND AMOUNT OF ADVERTISING PER $100 OF TOTAL NET SALES, 1919, 1918, AND 1914

Years	Stores Reporting on Advertising: Number of Store-years	Total Net Sales	Total Advertising	Amount of Advertising per $100 of Total Net Sales	Ratio Which Amount of Advertising per $100 of Total Net Sales for Each Year is of the Amount for All Years: Per Cent.	Per Cent.
Total (Average)	881	$79,441,369	$1,645,968	$2.07		100.0
1919	367	41,850,488	828,709	1.98		95.7
1918	322	26,652,956	542,992	2.04		98.6
1914	192	10,937,925	274,267	2.51		121.3

Per Cent. 0 20 40 60 80 100 120 140

Average $2.07

It should be noted that the above ratios are averages—averages for stores of different size, with different location, and selling different proportions of clothing and furnishings. How nearly each of these averages is typical for the year in question for all the stores may be illustrated by saying that, while the average is $2.07 for the three years combined, 179 or 20.3 per cent. of the total number expended between $0.50 and

TABLE 2

NUMBER AND PER CENT. OF STORES REPORTING CLASSIFIED AMOUNTS OF ADVERTISING PER $100 OF TOTAL NET SALES, 1919, 1918, AND 1914

Yearly Expenditures for Advertising per $100 of Total Net Sales	Stores Reporting Classified Amounts of Advertising Expense per $100 of Total Net Sales: Total: Number of Store-years	Total: Per Cent. Amount	Total: Per Cent. Graphic (0 10 20 30)	1919: Number	1919: Per Cent. Amount	1919: Per Cent. Graphic (0 10 20 30)	1918: Number	1918: Per Cent. Amount	1918: Per Cent. Graphic (0 10 20 30)	1914: Number	1914: Per Cent. Amount	1914: Per Cent. Graphic (0 10 20 30)
Total	881	100.0		367	100.0		322	100.0		192	100.0	
Under $0.50	68	7.7		30	8.2		23	7.1		15	7.8	
$0.50 to $1.00	179	20.3		90	24.5		66	20.5		23	12.0	
$1.00 to $1.50	175	19.9		85	23.2		64	19.9		27	14.0	
$1.50 to $2.00	154	17.5		51	13.9		66	20.5		37	19.3	
$2.00 to $2.50	109	12.4		45	12.3		42	13.1		22	11.5	
$2.50 to $3.00	73	8.9		30	8.2		28	8.7		20	10.4	
$3.00 to $4.00	59	6.7		17	4.6		14	4.4		28	14.6	
$4.00 to $5.00	35	4.0		13	3.5		13	4.0		9	4.7	
$5.00 to $6.00	16	1.8		6	1.6		4	1.2		6	3.1	
$6.00 & over	7	0.8		-	-		2	0.6		5	2.6	

$1.00 for advertising; 176 or 19.9 per cent. spent $1.00 to $1.50 for this purpose; and 154 or 17.5 per cent. spent amounts between $1.50 and $2.00. The number of stores spending larger amounts rapidly decreases as the ratios increase. Seven stores spent more than $6.00 and 68 spent less than $0.50 for advertising per $100 of total net sales.

A somewhat similar test can be made of the average $1.98 for the year 1919. The most common amount expended for advertising per $100 of total net sales, for the 367 stores considered in this year, was from $0.50 to $1.00. Thirty spent less than $0.50; 85 spent between $1.00 and $1.50, while 51 spent between $1.50 and $2.00. Comparatively few stores spent more than $4.00. The amounts of expenditure for the great bulk of the stores did not exceed $2.00 nor fall below $0.50.

In 1918, the distribution of the stores according to the amounts of expenditure for advertising per $100 of total net sales is not strikingly different from 1919. The average for all stores for this year was $2.04 or $0.06 more than the average for 1919. Sixty-six of the 322 stores spent between $0.50 and $1.00 per $100 of total net sales; 64 between $1.00 and $1.50; and 66 between $1.50 and $2.00. Summarized, this means that 196 of the 322 stores, or 60.9 per cent., spent in this year between $0.50 and $2.00 for advertising per $100 of total net sales.

In 1914, the average for all stores combined was $2.51. One hundred and ninety-two stores reported their advertising expense for this year. For these, the most common expenditure was from $1.50 to $2.00. Thirty-seven stores spent this amount. Twenty-three spent between $0.50 and $1.00; 27 between $1.00 and $1.50; 22 between $2.00 and $2.50; and 20 between $2.50 and $3.00. In this year there is not the same tendency for the stores to concentrate upon any single amount as is shown for the years 1919 and 1918.

The above details are supplied for the purpose of supporting the averages shown in Table 1, and to indicate, more fully than is possible by the use of a single average, the standards set by clothing stores in their expenditures for advertising in terms of net sales.

What has been said above applies to advertising expense in terms of total net sales. It does not indicate relatively the increase between 1914 and 1919 in net sales or advertising as such. Tables 3 and 4 are designed for this purpose. Table 3 shows for each of the years 1919, 1918, and 1914 the net sales and advertising expense per store as well as the per cent. of increase from year to year. It also contains the per cent. of decrease from year to year in the ratio which advertising expense bears to total net sales. It may be profitable to comment upon it briefly.

For a varying number of stores in the years 1919, 1918, and 1914, sales increased from $56,968 in 1914 to

TABLE 3

AVERAGE AMOUNT AND PER CENT. INCREASE OR DECREASE OF TOTAL NET SALES AND ADVERTISING PER STORE, AND AMOUNT OF ADVERTISING PER $100 OF TOTAL NET SALES FOR ALL STORES, 1919, 1918, AND 1914

Years	Average Amount of Total Net Sales per Store			Average Amount of Advertising per Store			Average Amount of Advertising per $100 of Total Net Sales		
	Amount	Per Cent. Increase over 1914		Amount	Per Cent. Increase over 1914		Amount	Per Cent. Decrease from 1914	
		Amount	Graphic Per Cent. 0 30 60 90 120		Amount	Graphic Per Cent. 0 30 60 90 120		Amount	Graphic Per Cent. 0 30 60 90 120
1919	$114,034	100.2		$2,258	58.1		$1.98	21.1	
1918	82,773	45.3		1,686	18.1		2.04	18.7	
1914	56,968			1,428			2.51		

$114,034 in 1919. This is an increase of 100.2 per cent. The same stores increased their advertising expense from $1,428 in 1914 to $2,258 in 1919. This represents an increase of 58.1 per cent. or approximately one-half of that represented in the increase in sales. With this *increase* in advertising expense per store, however, there was a *decrease* of 21.1 per cent. in the amount of advertising expense per $100 of total net sales.

Table 4 shows the total net sales and advertising expense per store for 211 identical stores for the years 1919, 1918, and 1914. In this group of stores, the amount of sales per store increased from $54,812 in 1914 to $126,224 in 1919, or by 130.3 per cent.* The corresponding increase in advertising expense per store was from $1,354 in 1914 to $2,621 in 1919, or 93.6 per cent. With this *increase* in sales and in advertising expense per store went a *decrease* in advertising expense per $100 of total net sales from $2.47 in 1914 to $2.08 in 1919. This represents a decrease of

* This per cent. increase is slightly larger than that shown in Volume I, p. 21, for 283 stores reporting in each of the years 1919, 1918 and 1914.

TABLE 4

AVERAGE AMOUNT AND PER CENT. INCREASE OR DECREASE OF TOTAL NET SALES AND ADVERTISING PER STORE, AND AMOUNT OF ADVERTISING PER $100 OF TOTAL NET SALES FOR 211 STORES, 1919, 1918, AND 1914

Years	Average Amount of Total Net Sales per Store			Average Amount of Advertising per Store			Average Amount of Advertising per $100 of Total Net Sales		
	Amount	Per Cent. Increase over 1914		Amount	Per Cent. Increase over 1914		Amount	Per Cent. Decrease from 1914	
		Amount	Graphic Per Cent. 0 40 80 120 160		Amount	Graphic Per Cent. 0 40 80 120 160		Amount	Graphic Per Cent. 0 40 80 120 160
1919	$126,224	130.3		$2,621	93.6		$2.08	15.8	
1918	88,834	62.1		1,817	34.2		2.05	17.0	
1914	54,812			1,354			2.47		

15.8 per cent. It should be noticed, however, that for these stores there is a slight increase in the advertising expense per $100 of total net sales between 1918 and 1919. This, however, is negligible.

In summary, therefore, it may be said that between 1914 and 1919 the amount spent by clothing stores for advertising increased 58.1 per cent. in the case of a varying number of stores. For identical stores the increase was 93.6. For the varying number of stores, the amount of advertising expense per $100 of total net sales decreased from $2.51 to $1.98 or by 21.1 per cent.; and for identical stores from $2.47 to $2.08 or by 15.8 per cent. This decrease accompanied an increase of sales per store, for a varying number of stores, of 100.2 per cent.; and for identical stores, of 130.3 per cent.

A.—Yearly Expenditures for Advertising per $100 of Total Net Sales for Stores Classified by Size, 1919, 1918, and 1914.

The discussion above referred to all stores, irrespective of size, for the

TABLE 5

TOTAL NET SALES, ADVERTISING EXPENSE, AND AMOUNT OF ADVERTISING PER $100 OF TOTAL NET SALES FOR STORES CLASSIFIED BY SIZE, 1919, 1918, AND 1914, COMBINED

Classified Total Net Sales (in 000's)	Stores Reporting on Advertising				Ratio Which Amount of Advertising per $100 of Total Net Sales for Stores of Different Size, is of the Amount for All Stores	Per Cent.
	Number of Store-years	Total Net Sales	Total Advertising	Amount of Advertising per $100 of Total Net Sales	Per Cent. 0 20 40 60 80 100 120 140 160	
Total (Average)	881	$79,441,369	$1,645,968	$2.07		100.0
Under $20	46	723,078	14,043	1.94		93.7
$20 to $40	218	6,520,537	95,940	1.47		71.0
$40 to $60	193	9,523,687	134,767	1.42		68.6
$60 to $80	125	8,663,708	150,743	1.74		84.1
$80 to $100	80	7,185,983	139,997	1.95		94.2
$100 to $140	96	11,297,988	232,834	2.06		99.5
$140 to $180	43	6,861,901	140,700	2.05		99.0
$180 to $220	23	4,548,075	109,317	2.40		115.9
$220 to $300	24	6,281,825	149,416	2.38		115.0
$300 to $500	23	8,695,097	208,980	2.40		115.9
$500 & over	10	9,139,490	269,231	2.95		142.5
Under $40	264	7,243,615	109,983	1.52		73.4
$40 to $80	318	18,187,395	285,510	1.57		75.8
$80 to $180	219	25,345,872	513,531	2.03		98.1
$180 & over	80	28,664,487	736,944	2.57		124.2

Average $2.07

years 1919, 1918, and 1914. The following discussion has to do with these same stores for each of the years and for the combined years, classified according to size, that is, in terms of total net sales. A comparison based upon the amount of total net sales will show how uniform for stores of different size are the average amounts of expenditure for advertising per $100 of total net sales.

For the three years combined the average amount of expenditure for advertising per $100 of total net sales is $2.07. The corresponding amounts for stores of different size increase noticeably with an increase in the size of the stores. When stores are classified into narrow groups, the amounts range from $1.42 for those with sales of $40,000 to $60,000 annually, to $2.95 for those with annual sales of $500,000 and over. The stores having annual sales of less than $40,000 have somewhat larger amounts of expenditure for advertising in terms of net sales than is characteristic of the group having sales of $40,000 to $60,000. Beyond this minimum, however, the increase from store-group to store-group is strikingly regular; the exceptions to the increase being very small and for the most part negligible.

Roughly speaking, the stores with sales under $180,000 per year had amounts of advertising expense per $100 of total net sales less than the average, and those with sales in excess of this amount had corresponding figures larger than the average. When the stores are classified into wider groups, as in the lower part of Table 5, the ratios of advertising expense per $100 of total net sales increase from $1.52 for stores with sales less than $40,000 annually, to $2.57 for those having sales of $180,000 and over per year.

The number of store-years upon which these ratios are based is shown in tabular form in Table 5. For most of the groups, the number of store-years seems to be sufficient to serve as a basis for the calculation of an average. The individual ratios show the variation from store-group to store-group.

In 1919, the average ratio of advertising expense to total net sales was $1.98. The smallest ratio is for stores with sales from $40,000 to $60,000, if those with sales under $20,000 per year are omitted. This latter group contains so few stores that the average—$0.78—cannot be considered as characteristic. The group of stores having the maximum amount, namely $2.98, have sales of $500,000 and over.

Unlike the tendency exhibited for the three years combined, that is, for the amounts to increase with the size of the stores, the ratios for this year, for stores of increasing size, are erratic. This is true when the stores are classified in narrow groups, but the tendency seems to be corrected when the stores are classified into wider groups, as in the lower part of Table 6. For these wider groups, the amounts range from $1.28 to $2.50 per $100 of total net sales. Although

the two lower groups have identical amounts, namely $1.28, generally speaking, it may be said that in 1919, over the entire range of sizes, the ratios increase with the size of the stores, but that the increase is not regular for stores within the various groups shown in the complete range. How nearly this is true, is shown graphically and in tabular form in Table 6.

In 1918, the amount of advertising expense per $100 of total net sales was $2.04. This is $0.06 higher than the amount for 1919. It should be remembered that the total number of stores which produce the ratio of $1.98 is 367, while those producing the ratio of $2.04 is 322. Moreover, all of the 322 stores in 1918 are not necessarily included in the 367 stores for 1919, although probably 95 per cent. or more are common to the two years.

The minimum ratio in 1918 is found in the group of stores with sales from $40,000 to $60,000, while the maximum occurs for stores with sales from $300,000 to $500,000. This maximum amount is $2.87. These

TABLE 6

TOTAL NET SALES, ADVERTISING EXPENSE, AND AMOUNT OF ADVERTISING PER $100 OF TOTAL NET SALES FOR STORES CLASSIFIED BY SIZE, 1919

Classified Total Net Sales (in 000's)	Stores Reporting on Advertising				Ratio Which Amount of Advertising per $100 of Total Net Sales for Stores of Different Size, is of the Amount for All Stores	Per Cent.
	Number	Total Net Sales	Total Advertising	Amount of Advertising per $100 of Total Net Sales	Per Cent. 0 20 40 60 80 100 120 140 160	
Total (Average)	367	$41,850,488	$828,709	$1.98		100.0
Under $20	4	59,452	461	0.78		39.4
$20 to $40	57	1,767,535	22,875	1.29		65.2
$40 to $60	84	4,120,603	48,006	1.17		59.1
$60 to $80	56	3,872,734	54,321	1.40		70.7
$80 to $100	39	3,538,525	55,866	1.58		79.8
$100 to $140	53	6,386,041	122,541	1.92		97.0
$140 to $180	24	3,827,242	68,198	1.78		89.9
$180 to $220	13	2,580,912	54,921	2.13		107.6
$220 to $300	15	3,910,928	102,279	2.62		132.3
$300 to $500	15	5,659,163	116,349	2.06		104.0
$500 & over	7	6,127,353	182,892	2.98		150.5
Under $40	61	1,826,987	23,336	1.28		64.6
$40 to $80	140	7,993,337	102,327	1.28		64.6
$80 to $180	116	13,751,808	246,605	1.79		90.4
$180 & over	50	18,278,356	456,441	2.50		126.3

Average $1.98

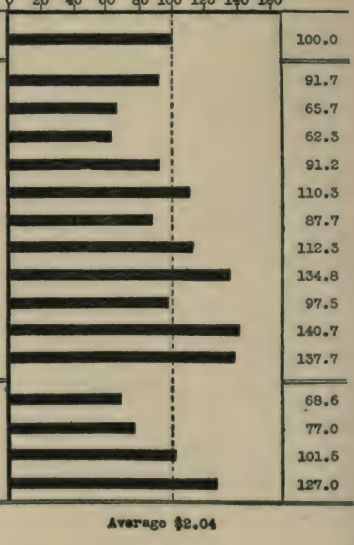
larger stores, however, are so few in number that, when grouped in detail, the ratios probably are unsatisfactory and do not serve to characterize stores of this type. If all the stores with sales of $180,000 and over are combined, the ratio is $2.59 and compares favorably with stores of similar size in 1919.

Over the whole range of sizes the ratios of advertising expense per $100 of total net sales increase with the size of the stores, although this increase is erratic. Roughly speaking, when the stores are classified into wide groups, those having sales of less than $80,000 annually have a ratio of advertising expense in terms of net sales less than the average, while those with sales of $80,000 and over have a ratio in excess of the average. The degree to which the ratios for the different sized stores vary from the average and from each other is shown graphically and in tabular form in Table 7. A study of this table, in comparison with the table showing the three years combined, and with the table giving the data for 1919, is interesting, both as

TABLE 7

TOTAL NET SALES, ADVERTISING EXPENSE, AND AMOUNT OF ADVERTISING PER $100 OF TOTAL NET SALES FOR STORES CLASSIFIED BY SIZE, 1918

Classified Total Net Sales (in 000's)	Stores Reporting on Advertising				Ratio Which Amount of Advertising per $100 of Total Net Sales for Stores of Different Size, is of the Amount for All Stores	Per Cent.
	Number	Total Net Sales	Total Advertising	Amount of Advertising per $100 of Total Net Sales		
Total (Average)	322	$26,652,956	$542,992	$2.04		100.0
Under $20	19	308,712	5,762	1.87		91.7
$20 to $40	89	2,687,317	36,094	1.34		65.7
$40 to $60	67	3,316,390	42,010	1.27		62.3
$60 to $80	50	3,484,353	64,783	1.86		91.2
$80 to $100	28	2,489,083	56,002	2.25		110.3
$100 to $140	30	3,456,566	61,970	1.79		87.7
$140 to $180	14	2,219,214	50,894	2.29		112.3
$180 to $220	7	1,386,406	38,160	2.75		134.8
$220 to $300	9	2,370,897	47,137	1.99		97.5
$300 to $500	7	2,679,984	76,871	2.87		140.7
$500 & over	2	2,254,034	63,309	2.81		137.7
Under $40	106	2,996,029	41,856	1.40		68.6
$40 to $80	117	6,800,743	106,793	1.57		77.0
$80 to $180	72	8,164,863	168,866	2.07		101.5
$180 & over	25	8,691,321	225,477	2.59		127.0



to the size of the ratios and the experience upon which each is based.

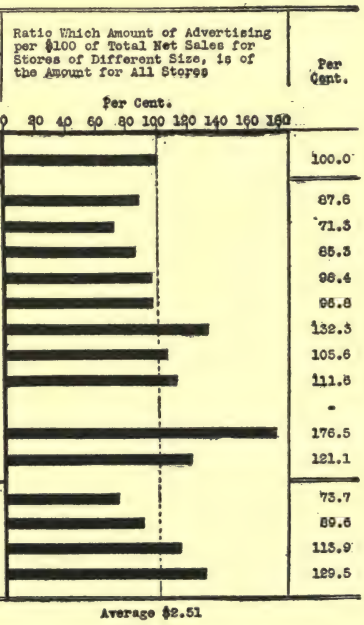
A comparison similar to that for 1919 and 1918, separately, and for the combined years, is shown in Table 8 for 1914. For this year, data were available for 192 stores as compared with 322 for 1918 and 367 for 1919. This experience, in the aggregate, is probably adequate to produce an approximately satisfactory average. When the stores are grouped by size, however, some of the groups are not sufficiently large to produce an average which is representative. This is particularly true for stores with sales in excess of $180,000 of which only five were available for comparative study.

The average for 1914 for all stores is $2.51 or $0.47 more than for the year 1918, and $0.50 greater than the ratio for 1919. A larger percentage of stores for this year is found in the smaller groups and the averages for these classes probably are somewhat more satisfactory than for the other years. For the larger groups, both the number and proportion of stores are smaller for this than for the other

TABLE 8

TOTAL NET SALES, ADVERTISING EXPENSE, AND AMOUNT OF ADVERTISING PER $100 OF TOTAL NET SALES FOR STORES CLASSIFIED BY SIZE, 1914

Classified Total Net Sales (in 000's)	Stores Reporting on Advertising				Ratio Which Amount of Advertising per $100 of Total Net Sales for Stores of Different Size, is of the Amount for All Stores	Per Cent.
	Number	Total Net Sales	Total Advertising	Amount of Advertising per $100 of Total Net Sales		
Total (Average)	192	$10,937,925	$274,267	$2.51		100.0
Under $20	23	354,914	7,820	2.20		87.6
$20 to $40	72	2,065,685	36,971	1.79		71.3
$40 to $60	42	2,086,694	44,751	2.14		85.3
$60 to $80	19	1,306,621	31,639	2.42		96.4
$80 to $100	13	1,158,375	28,129	2.43		96.8
$100 to $140	13	1,455,381	48,323	3.32		132.3
$140 to $180	5	815,445	21,608	2.65		105.6
$180 to $220	3	580,757	16,236	2.80		111.5
$220 to $300	-	-	-	-		-
$300 to $500	1	355,950	15,760	4.43		176.5
$500 & over	1	758,103	23,030	3.04		121.1
Under $40	95	2,420,599	44,791	1.85		73.7
$40 to $80	61	3,393,315	76,390	2.25		89.6
$80 to $180	31	3,429,201	98,060	2.86		113.9
$180 & over	5	1,694,810	55,026	3.25		129.5



years, and an average, therefore, is less satisfactory for comparative purposes.

In spite of the limited experience for 1914, however, the tendency for the amounts to increase with the size of the stores holds. When the stores are classified into wide groups, the minimum amount is $1.85 as compared with $1.40 for 1918 and $1.28 for 1919. For the stores with annual sales of $40,000 to $80,000, the ratio for 1914—$2.25—is noticeably larger than the corresponding ratios for the years 1918 and 1919—$1.57 and $1.28, respectively. For the stores with sales of $80,000 to $180,000 in 1914, the average of $2.86 appreciably exceeds the corresponding amounts—$2.07 and $1.79—for the years 1918 and 1919, respectively. A similar difference holds for the stores in the largest group. The ratio of $3.25 for 1914 is hardly comparable with the corresponding ratios for the other years, because of the small number of stores reporting.

The detailed ratios for the different stores, together with the total net sales and the total advertising expense, are shown in graphic and tabular form in Table 8. A comparison of this table with the tables for the later years reveals the same basic tendency for the stores as a group, but a variety of individual differences.

In summary, therefore, on the basis of the details showing the amounts of advertising expense per $100 of total net sales, there is an unmistakable tendency for the amounts to increase with stores of increasing size. While the data for a single year might be thought to be inadequate for purposes of generalization, this can hardly be said to be true when the same general results are shown for three years. When the same basic tendency holds for stores in three separate years, one may reasonably conclude that the peculiarity shown is not due to sampling, but rather is evidence of an underlying and fundamental relationship between advertising and sales.

It should be remembered that sales and advertising per store increased during the years in question, when the experience for all the stores is combined. This need not, but probably does, hold from year to year for the majority of individual stores. In spite of the increase per store of both sales and advertising between 1914 and 1919, the ratios of advertising to sales decreased. Moreover, for each year, the ratios of advertising expense per $100 of total net sales increase with the size of stores measured in sales.

The above generalizations, on the relation of advertising expense to total net sales for stores of different size, are based upon a varying group of stores from year to year. In such a group, from year to year, the proportion of large and small stores changes, and the resultant averages, therefore, may be due, in part, not only to the amounts of advertising expense and total net sales, but also to

the proportions in which stores of different size enter into the aggregate.

A comparison based upon identical stores for the years individually and combined is contained in Tables 9, 10, 11, and 12. An analysis of these tables serves to correct any element of error which is due to a changing number of stores, and furnishes a basis for testing the truth of the general principles stated with respect to the amounts of advertising expense in terms of total net sales.

For a varying number of stores, the average amount of advertising expense per $100 of total net sales for the three years combined is $2.07. For 211 stores for the same period, the ratio is $2.15. For the individual years, the corresponding ratios for the two groups of stores—varying and identical—are $1.98 and $2.08 for 1919; $2.04 and $2.05 for 1918; and $2.51 and $2.47 for 1914. These differences between the two groups of stores are not large, and it is interesting to note that the direction of change from year to year for both groups is the same.

TABLE 9

TOTAL NET SALES, ADVERTISING EXPENSE, AND AMOUNT OF ADVERTISING PER $100 OF TOTAL NET SALES FOR 211 IDENTICAL STORES CLASSIFIED BY SIZE, 1919, 1918, AND 1914, COMBINED

Classified Total Net Sales (in 000's)	Stores Reporting on Advertising				Ratio Which Amount of Advertising per $100 of Total Net Sales for 211 Identical Stores of Different Size, is of the Total Amount	Per Cent.
	Number of Store-years	Total Net Sales	Total Advertising	Amount of Advertising per $100 of Total Net Sales	Per Cent. 0 20 40 60 80 100 120 140	
Total (Average)	633	$56,942,526	$1,222,049	$2.15		100.0
Under $40	201	5,344,842	91,002	1.70		79.1
$40 to $80	224	12,808,254	211,103	1.65		76.7
$80 to $180	155	17,993,808	369,886	2.06		95.8
$180 & over	53	20,795,622	550,058	2.65		123.3

Average $2.15

What evidence is there that the amounts of advertising expense per $100 of total net sales tend to increase with the size of the stores when the ratios are computed for each of the separate years for identical stores? In summary, the principle is more clearly demonstrated for identical than it is for a varying number of stores. An inspection of the graphic parts of Tables 9, 10, 11, and 12 will show how strikingly this is true. It is unnecessary probably to call attention to the fact that, from year to year, the identity of the stores in a given group is not maintained.

TABLE 10

TOTAL NET SALES, ADVERTISING EXPENSE, AND AMOUNT OF ADVERTISING PER $100 OF TOTAL NET SALES FOR 211 STORES CLASSIFIED BY SIZE, 1919

Classified Total Net Sales (in 000's)	Stores Reporting on Advertising				Ratio Which Amount of Advertising per $100 of Total Net Sales for 211 Stores of Different Size, is of the Total Amount	Per Cent.
	Number	Total Net Sales	Total Advertising	Amount of Advertising per $100 of Total Net Sales	Per Cent. 0 20 40 60 80 100 120 140	
Total (Average)	211	$26,633,317	$553,040	$2.08		100.0
Under $40	30	861,482	13,097	1.52		73.1
$40 to $80	73	4,179,729	53,417	1.28		61.5
$80 to $180	77	9,098,093	162,904	1.79		86.1
$180 & over	31	12,494,013	323,622	2.59		124.5

Average $2.08

The sales of some of the stores increase more rapidly than do those of others, with the consequence that, from year to year, the stores may pass from one group to another. This, however, does not seriously disturb the comparison of stores in different groups, and, of course, has no bearing at all with respect to year to year comparisons when the stores are treated as a total.

It seemed unnecessary to burden this report with a classification of the identical stores into narrow groups. Accordingly, the form of classification, adopted in the lower part of Tables 5, 6, 7, and 8, has been followed in presenting the data for

TABLE 11

TOTAL NET SALES, ADVERTISING EXPENSE, AND AMOUNT OF ADVERTISING PER $100 OF TOTAL NET SALES FOR 211 STORES CLASSIFIED BY SIZE, 1918

Classified Total Net Sales (in 000's)	Stores Reporting on Advertising				Ratio Which Amount of Advertising per $100 of Total Net Sales for 211 Stores of Different Size, is of the Total Amount	Per Cent.
	Number	Total Net Sales	Total Advertising	Amount of Advertising per $100 of Total Net Sales	Per Cent. 0 20 40 60 80 100 120 140	
Total (Average)	211	$18,743,928	$383,356	$2.05		100.0
Under $40	64	1,805,945	27,859	1.54		75.1
$40 to $80	83	4,864,670	75,165	1.55		75.6
$80 to $180	47	5,466,514	108,922	1.99		97.1
$180 & over	17	6,606,799	171,410	2.59		126.3

Average $2.05

TABLE 12

TOTAL NET SALES, ADVERTISING EXPENSE, AND AMOUNT OF ADVERTISING PER $100 OF TOTAL NET SALES FOR 211 STORES CLASSIFIED BY SIZE, 1914

Classified Total Net Sales (in 000's)	Stores Reporting on Advertising				Ratio Which Amount of Advertising per $100 of Total Net Sales for 211 Stores of Different Size, is of the Total Amount	Per Cent.
	Number	Total Net Sales	Total Advertising	Amount of Advertising per $100 of Total Net Sales	Per Cent. 0 20 40 60 80 100 120 140	
Total (Average)	211	$11,565,281	$285,653	$2.47		100.0
Under $40	107	2,677,415	50,046	1.87		75.7
$40 to $80	68	3,763,855	82,521	2.19		88.7
$80 to $180	31	3,429,201	98,060	2.86		115.8
$180 & over	5	1,694,810	55,026	3.25		131.6

Average $2.47

these stores. This wider grouping has the advantage of smoothing out any irregularities, although it has the disadvantage of identifying as uniform, stores whose sales vary rather widely. The ratios for these stores, however, do serve to support the averages for the various years and to indicate how nearly they hold for the entire group.

It is interesting to compare this group of identical stores when classified by size. This is done in Table 13, and from it two generalizations, similar to those made above, but stated in somewhat different form, may be drawn. First, the amount of advertising per $100 of total net sales increases with the size of the different stores when the entire range is considered. Stores with sales from $40,000 to $80,000, however, have a smaller ratio than those with sales under $40,000, when the three years are combined, but this condition does not hold in every case when the individual years are compared for these same groups. Second, for each group of stores the amounts decreased between 1914 and 1918, and between 1918 and 1919. The size of the differences may be seen by consulting the graphic part of Table 13.

Another aspect of this table is interesting. A study of the number of stores of each size in 1914, as compared with the number of the same size in the later years, shows unmistakably the shifting of stores from group to group, because of expanding sales. The group with the largest sales—that containing stores with total net sales of $180,000 and over—may be taken to illustrate this fact. In 1914, five of the 211 stores had sales of this amount. By 1918 this number had grown to 17, and by 1919 to 31. Similar growth of sales is apparent for the other groups of stores. It may be worth while to mention those with sales under $40,000. In

1914, 107 of the 211 stores had sales of this amount. By 1918, this number had decreased to 64, and by 1919 to 30. That is, between 1914 and 1918 there was a decrease in the number of stores with sales of this amount of 40.2 per cent., and from 1918 to 1919 of 53.1 per cent.

B.—Yearly Expenditures for Advertising per $100 of Total Net Sales for Stores Classified by Size of City in Which Located, 1919, 1918, and 1914.*

The preceding discussion has led to two significant conclusions. First,

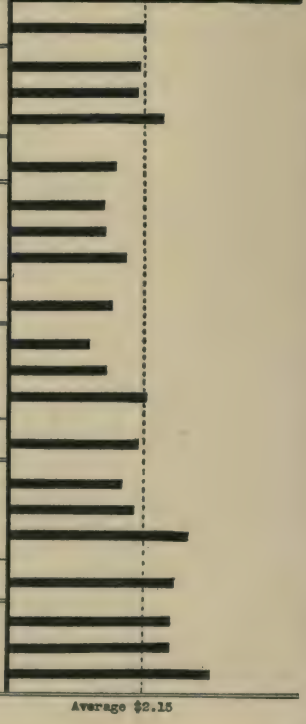
* Population figures are for 1920.

TABLE 13

TOTAL NET SALES, TOTAL ADVERTISING EXPENSE, AND AMOUNT OF ADVERTISING PER $100 OF TOTAL NET SALES FOR 211 IDENTICAL STORES CLASSIFIED BY SIZE, 1919, 1918, AND 1914

Classified Total Net Sales (in 000's)	Years	Stores Reporting on Advertising for Each of the Years			
		Number of Store-years	Total Net Sales	Total Advertising	Advertising per $100 of Total Net Sales
					Actual
Total (Average)	Total (Average)	633	$56,942,526	$1,222,049	$2.15
	1919	211	26,633,317	553,040	2.08
	1918	211	18,743,928	383,356	2.05
	1914	211	11,565,281	285,653	2.47
Under $40	Total (Average)	201	5,344,842	91,002	1.70
	1919	30	861,482	13,097	1.52
	1918	64	1,805,945	27,859	1.54
	1914	107	2,677,415	50,046	1.87
$40 to $80	Total (Average)	224	12,808,254	211,103	1.65
	1919	73	4,179,729	53,417	1.28
	1918	83	4,864,670	75,165	1.55
	1914	68	3,763,855	82,521	2.19
$80 to $180	Total (Average)	155	17,993,808	369,866	2.06
	1919	77	9,098,093	162,904	1.79
	1918	47	5,466,514	108,922	1.99
	1914	31	3,429,201	98,060	2.86
$180 & over	Total (Average)	53	20,795,622	550,058	2.65
	1919	31	12,494,013	323,622	2.59
	1918	17	6,606,799	171,410	2.59
	1914	5	1,694,810	55,026	3.25

Graphic



the amount of advertising expense per store increased noticeably between 1914 and 1919, although the amount of advertising per $100 of total net sales decreased for the same period. Second, the amounts per $100 of total net sales increased with an increase in the size of stores.

Nothing has been said in the discussion up to this point concerning the size of the cities in which these stores are located. Generally speaking, the larger stores are located in the larger cities, but this is probably no less true for the samples which were available for study in this report than for stores in general. Before discussing the amounts of advertising expense per $100 of total net sales in different sized stores in cities of different size, something should be said concerning the relation of advertising expense to net sales for all stores classified according to the population of the cities in which they are located. Comparisons of this nature are given in Tables 14, 15, 16, and 17. In Table 14, the amounts of advertising expense per $100 of total net sales, for the stores in cities classified into seven groups, are shown for the years 1919, 1918, and 1914, combined. In subsequent tables the years are treated separately.

The average for 881 store-years for the combined years is $2.07. The smallest amount—$1.28—is for stores in cities with population under 10,000, while the largest amount—$3.61—is the average for stores in cities with population of 440,000 and over. Between these limits, the

TABLE 14

TOTAL NET SALES, ADVERTISING EXPENSE, AND AMOUNT OF ADVERTISING PER $100 OF TOTAL NET SALES FOR STORES CLASSIFIED BY SIZE OF CITY, 1919, 1918, AND 1914, COMBINED

Size of City (in 000's)	Stores Reporting on Advertising				Ratio Which Amount of Advertising per $100 of Total Net Sales for Stores in Cities of Different Size, is of the Amount for All Stores	Per Cent.
	Number of Store-years	Total Net Sales	Total Advertising	Amount of Advertising per $100 of Total Net Sales	Per Cent. 0 30 60 90 120 150 180	
Total (Average)	881	$79,441,369	$1,645,968	$2.07		100.0
Under 10	401	19,172,825	246,360	1.28		61.8
10 to 20	130	9,549,174	163,056	1.71		82.6
20 to 40	130	12,422,415	215,216	1.73		83.6
40 to 120	125	16,924,901	386,761	2.29		110.6
120 to 200	38	7,589,766	199,448	2.63		127.1
200 to 440	26	7,310,792	201,587	2.76		133.3
440 & over	31	6,471,496	233,540	3.61		174.4

Average $2.07

amounts increase with the size of the city. To this rule there is no exception for the combined years. One dollar and twenty-eight cents for stores in the smallest cities is followed by $1.71 for stores in the next group of cities, and this in turn by $1.73. Beginning with the group of stores located in cities with population of 40,000 to 120,000, the amount is slightly in excess of $2.25 and it does not attain the $3.00 mark until the group of cities with population of 440,000 and over is reached.

It should be remembered that the amount of advertising expense per store is not under consideration; it is the amount of advertising expense per $100 of total net sales which is being discussed. It is to be expected that the average amount of advertising expense per store will be larger for stores in large cities than for those in small cities, because the large stores are undoubtedly more commonly found in the large than in the small cities, but it is not so evident that the amount of advertising expense in terms of net sales will be larger for stores in large than for those in small cities. The precise relation of advertising to sales is difficult to state and not easy to determine under all circumstances. The purpose of advertising, of course, is to increase sales, but that advertising is *the* cause, or even the *main* cause of the increase in sales does not necessarily follow. The relationship between the two, however, on the basis of the material available, is discussed in a later part of this study. It is only necessary to state in passing that the relationship is uncertain.

TABLE 15

TOTAL NET SALES, ADVERTISING EXPENSE, AND AMOUNT OF ADVERTISING PER $100 OF TOTAL NET SALES FOR STORES CLASSIFIED BY SIZE OF CITY, 1919

Size of City (in 000's)	Stores Reporting on Advertising				Ratio Which Amount of Advertising per $100 of Total Net Sales for Stores in Cities of Different Size, is of the Amount for All Stores	Per Cent.
	Number	Total Net Sales	Total Advertising	Amount of Advertising per $100 of Total Net Sales	Per Cent. 0 30 60 90 120 150 180	
Total (Average)	367	$41,850,488	$828,709	$1.98		100.0
Under 10	171	10,241,426	124,251	1.21		61.1
10 to 20	52	4,998,356	75,779	1.52		76.8
20 to 40	53	6,328,104	101,689	1.61		81.3
40 to 120	51	9,034,907	198,894	2.20		111.1
120 to 200	15	3,933,426	104,876	2.67		134.8
200 to 440	12	3,713,721	100,611	2.71		136.9
440 & over	13	3,600,548	122,609	3.41		172.2

Average $1.98

Table 15 shows the average amount of advertising expense per $100 of total net sales in 1919 for stores in different sized cities. On the basis of the records from 367 stores, total net sales of $41,850,488, and total advertising expense of $828,709, the relationship between the two amounts is $1.98. The minimum amount of advertising expense per $100 of total net sales—$1.21—is found for stores in cities with population under 10,000. The experience of 171 stores for this group is available for such a ratio. The largest amount—$3.41—applies to stores in cities with population of 440,000 and over. Between these extremes, the average amounts increase more or less regularly; those for stores in cities with population under 40,000 being below $1.65, and those for stores in cities with population of 40,000 and over running somewhat higher than $2.00. The regularity of increase from city-group to city-group is strikingly evident from an inspection of the graphic part of Table 15.

For 1918, as shown in Table 16, 322 stores are used to develop the ratio of $2.04 between advertising expense and total net sales. This experience covers $26,652,956 of total net sales and $542,992 of advertising expense. For stores in the smaller cities, the average advertising expense per $100 of total net sales is $1.30 for this year. For those in the larger cities it is $3.53. Between these extremes, the amounts increase regularly with the exception that the ratio is slightly smaller for the 46 stores in cities with population between 20,000 and 40,000 than it is for the 48 stores

TABLE 16

TOTAL NET SALES, ADVERTISING EXPENSE, AND AMOUNT OF ADVERTISING PER $100 OF TOTAL NET SALES FOR STORES CLASSIFIED BY SIZE OF CITY, 1918

Size of City (in 000's)	Stores Reporting on Advertising				Ratio Which Amount of Advertising per $100 of Total Net Sales for Stores in Cities of Different Size, is of the Amount for All Stores	Per Cent.
	Number	Total Net Sales	Total Advertising	Amount of Advertising per $100 of Total Net Sales	Per Cent. 0 30 60 90 120 150 180	
Total (Average)	322	$26,652,956	$542,992	$2.04		100.0
Under 10	146	6,247,878	81,526	1.30		63.7
10 to 20	48	3,245,036	54,692	1.69		82.8
20 to 40	46	4,123,704	68,509	1.66		81.4
40 to 120	45	5,609,751	122,325	2.18		106.9
120 to 200	14	2,580,867	64,186	2.49		122.1
200 to 440	10	2,642,519	74,082	2.80		137.3
440 & over	13	2,203,201	77,672	3.53		173.0

Average $2.04

in cities with population of 10,000 to 20,000. In a general way, therefore, 1918 follows the year 1919, so far as the nature of change from city-group to city-group is concerned. How closely the similarity obtains is revealed in Table 16.

A somewhat smaller experience is available for 1914 for determining the relation of advertising expense to total net sales. For this year, 192 stores, with $10,937,925 of sales and $274,267 of advertising expense, reported the necessary details. The average is $2.51. The minimum amount—$1.51—is found for the 84 stores in cities with population of less than 10,000, while the maximum—$4.98—is found for the stores in cities with population of 440,000 and over. The latter amount, it should be noted, is based upon an experience of only 5 stores.

For the year 1914, the amounts of advertising expense in terms of net sales do not increase for stores in different sized cities with the same regularity as for the other years. This is undoubtedly due, in part, to the relatively small number of stores reporting, to the fact that the data supplied were less satisfactory, and that the stores are not so well distributed geographically and by city-sizes as were those in the other years.

In summary, the data available seem to indicate an unmistakable general tendency for the amounts of advertising expense per $100 of total net sales to be larger for stores in large cities than for stores in small cities.

TABLE 17

TOTAL NET SALES, ADVERTISING EXPENSE, AND AMOUNT OF ADVERTISING PER $100 OF TOTAL NET SALES FOR STORES CLASSIFIED BY SIZE OF CITY, 1914

Size of City (in 000's)	Stores Reporting on Advertising				Ratio Which Amount of Advertising per $100 of Total Net Sales for Stores in Cities of Different Size, is of the Amount for All Stores	Per Cent.
	Number	Total Net Sales	Total Advertising	Amount of Advertising per $100 of Total Net Sales	Per Cent. 0 30 60 90 120 150 180 210	
Total (Average)	192	$10,937,925	$274,267	$2.51		100.0
Under 10	84	2,683,521	40,583	1.51		60.2
10 to 20	30	1,305,782	32,585	2.50		99.6
20 to 40	31	1,970,607	45,018	2.28		90.8
40 to 120	29	2,280,243	65,542	2.87		114.3
120 to 200	9	1,075,473	30,386	2.83		112.7
200 to 440	4	954,552	26,894	2.82		112.4
440 & over	5	667,747	33,259	4.98		198.4

Average $2.51

It is interesting, in this connection, briefly to compare for each of the years the amounts of advertising expense per $100 of total net sales for stores in cities of the same size. This can be done readily by the reader from the tables bearing upon this point, but certain similarities and differences might be pointed out with advantage.

The 84 stores in cities with population under 10,000 had in 1914 a ratio of advertising expense to total net sales of $1.51. By 1918 this ratio for 146 stores had decreased to $1.30, and by 1919, for 171 stores, it had fallen to $1.21. That is, ignoring the changing number of stores, the amounts decreased $0.21 between 1914 and 1918, and $0.09 between 1918 and 1919. A similar reduction between 1914 and 1919 characterized the stores located in cities with population between 10,000 and 20,000. In 1914 the amount was $2.50; in 1918 it had fallen to $1.69 and in 1919 to $1.52. For stores located in cities with population between 20,000 and 40,000, the amount decreased from $2.28 in 1914 to $1.66 in 1918, and to $1.61 in 1919. For the stores in cities with population of 40,000 to 120,000, an average of $2.87 in 1914 was followed by an average of $2.18 in 1918, and of $2.20 in 1919. That is, between 1918 and 1919, the amounts for this group of stores slightly increased, although there was an appreciable decrease between 1914 and 1918. A similar increase between 1918 and 1919 holds for stores in cities with a population of 120,000 to 200,000, while between 1914 and 1918 there was an appreciable decrease. When stores in the next group of cities—those with population of 200,000 to 440,000—are compared, a decrease of $0.02 between 1914 and 1918 was followed by a decrease of $0.09 between 1918 and 1919. The number of stores in the larger cities, however, is so small as to make the average uncertain, and not to justify too much attention being assigned to the increases and decreases.

When the stores in cities of similar size are compared year by year, there is an unmistakable tendency for the amounts of advertising expense in terms of net sales to decrease. That is, what is true of the average for all stores for the various years, seems to be true, with minor exceptions, for the same stores when classified according to the size of city in which they are located.

An analysis somewhat similar to that immediately above may be made for the years 1919, 1918, and 1914 for identical stores. For these years, 211 stores reported the information necessary for this purpose. The cities, rather than being divided into seven groups are here classified into two. Moreover, the data are so arranged that it is possible to determine the amount of total advertising expense per store for each of the years as well as the amounts of advertising expense per $100 of total net sales.

As shown in Table 18, the average amount of advertising expense per

TABLE 18

TOTAL ADVERTISING AND AVERAGE AMOUNT OF ADVERTISING PER STORE, FOR 211 IDENTICAL STORES CLASSIFIED BY SIZE OF CITY, 1919, 1918, AND 1914

Size of City (in 000's)	Years	Stores Reporting on Advertising: Number of Store-years	Total Advertising	Average Amount of Advertising per Store	Ratio Which Amount of Advertising per Store for Each Year is of the Average for All Stores for the Three Years (Per Cent.)	Per Cent.
Total (Average)	Total (Average)	633	$1,222,049	$1,931		100.0
	1919	211	553,040	2,621		135.7
	1918	211	383,356	1,817		94.1
	1914	211	285,653	1,354		70.1
Under 40	Total (Average)	486	479,749	987		51.1
	1919	162	199,945	1,234		63.9
	1918	162	153,167	945		48.9
	1914	162	126,637	782		40.5
40 and over	Total (Average)	147	742,300	5,050		261.5
	1919	49	353,095	7,206		373.2
	1918	49	230,189	4,698		243.3
	1914	49	159,016	3,245		168.0

Per Cent. 0 50 100 150 200 250 300 350 400

Average $1,931

store for the 211 stores is $1,931. In 1914 the amount was $1,354; in 1918, $1,817; and in 1919, $2,621. That is, the average amount of advertising per store for the same stores increased between 1914 and 1919 by $1,267 or 93.6 per cent.

For the 162 stores located in the smaller cities, the average amount of advertising expense per store is $987. In 1914 the amount was $782; in 1918, $945; and in 1919, $1,234. That is, there was an increase for the same stores of $452 or 57.8 per cent. between 1914 and 1919.

For the 49 stores located in cities with population of 40,000 and over, the average expenditure for advertising per store is $5,050. In 1914 the corresponding amount was $3,245. By 1918 it had grown to $4,698 and by 1919 to $7,206. That is, between 1914 and 1919 it increased by $3,961 or 122.1 per cent.

In connection with these amounts of advertising expense per store, it is of interest to compare the amounts of advertising expense per $100 of total net sales. The average for the three years for the 211 stores is $2.15. For 1914, these 211 stores show advertising expense per $100 of total net

sales of $2.47. For 1918 the amount is $2.05 and for 1919, $2.08.

For the 162 stores located in cities with population under 40,000 and with an average expenditure for advertising of $987 per store per year, the amount of advertising expense per $100 of total net sales is $1.60. In 1914, the 162 stores spent $1.93 for this purpose as compared with $1.56 in 1918 and $1.46 in 1919. That is, a *decrease* of $0.47 or 24.3 per cent in the amount of advertising expense per $100 of total net sales between 1914 and 1919 accompanied an *increase* of $452 or 57.8 per cent. in advertising expense per store.

In the 49 stores located in cities with population of 40,000 and over, the average amount expended for advertising per $100 of total net sales for the three years is $2.76. In 1914,

TABLE 19

TOTAL NET SALES, ADVERTISING EXPENSE, AND AMOUNT OF ADVERTISING PER $100 OF TOTAL NET SALES FOR 211 IDENTICAL STORES CLASSIFIED BY SIZE OF CITY, 1919, 1918, AND 1914

Size of City (in 000's)	Years	Stores Reporting on Advertising				Ratio Which Amount of Advertising per $100 of Total Net Sales for Each Year, is of the Amount for All Years	Per Cent.
		Number of Store-years	Total Net Sales	Total Advertising	Amount of Advertising per $100 of Total Net Sales	Per Cent. 0 20 40 60 80 100 120 140 160	
Total (Average)	Total (Average)	633	$56,942,526	$1,222,049	$2.15		100.0
	1919	211	26,633,317	553,040	2.08		96.7
	1918	211	18,743,928	383,356	2.05		95.3
	1914	211	11,565,281	285,653	2.47		114.9
Under 40	Total (Average)	486	30,051,005	479,749	1.60		74.4
	1919	162	13,688,146	199,945	1.46		67.9
	1918	162	9,817,226	153,167	1.56		72.6
	1914	162	6,545,633	126,637	1.93		89.8
40 and over	Total (Average)	147	26,891,521	742,300	2.76		128.4
	1919	49	12,945,171	353,095	2.73		127.0
	1918	49	8,926,702	230,189	2.58		120.0
	1914	49	5,019,648	159,016	3.17		147.4

Average $2.15

the corresponding amount was $3.17; in 1918, $2.58; and in 1919, $2.73. This *decrease* of $0.44 or 13.9 per cent between 1914 and 1919 was accompanied by an *increase* of $3,961 or 122.1 per cent. in the amount of expenditure for advertising per store.

If the data in Tables 18 and 19 are compared, one or two interesting conclusions may be drawn. The aver-

age amount of advertising per store for the three years is approximately five times as great for stores in the large as for stores in the small cities, while the amount of advertising expense per $100 of total net sales is not more than one and three-fourths times as large. Somewhat similar proportions obtain for the stores in the two groups of cities for each of the years to which the data apply.

The data for the 211 identical stores included in Tables 18 and 19 are given a different arrangement in Table 20. Comment on this table may be of interest. The average amount of net sales per store, for 162 stores located in cities with population under 40,000, increased between 1914 and 1919 by 109.1 per cent. The average amount of advertising expense per store increased 57.8 per cent., while the average amount of advertising expense per $100 of total net sales decreased 24.3 per cent. In the stores located in the larger cities—those with population of 40,000 and over—the sales increased between 1914 and 1919 by 157.9 per cent. The amount of advertising expense per store increased 122.1 per cent., while the advertising expense per $100 of total net sales decreased 13.9 per cent. Decreases in the amount of advertising expense per $100 of total net sales, between 1914 and 1919, characterize stores in both groups of cities. The decrease for those in the small cities exceeds the decrease for those in the large cities by 10.4 per cent. On the other hand, the percentage of increase in sales in the large cities exceeds the increase in small cities by 48.8 per cent. and the increase in advertising expense per store in large cities exceeds that in small cities by 64.3 per cent.

TABLE 20

RELATION OF ADVERTISING TO TOTAL NET SALES FOR 211 IDENTICAL STORES CLASSIFIED BY SIZE OF CITY, 1919, 1918, AND 1914

Size of City (in 000's)	Years	Number of Store-years	Total Net Sales			Total Advertising				
			Amount	Average Amount per Store		Amount	Average Amount per Store		Per $100 of Total Net Sales	
				Amount	Per Cent. Increase over 1914		Amount	Per Cent. Increase over 1914	Amount	Per Cent. Decrease from 1914
Total (Average)	1919	211	$26,633,317	$126,224	130.3	$553,040	$2,621	93.8	$2.08	15.8
	1918	211	18,743,928	88,834	62.1	383,356	1,817	34.2	2.05	17.0
	1914	211	11,565,281	54,812		285,653	1,354		2.47	
Under 40	1919	162	13,688,146	84,495	109.1	199,945	1,234	57.8	1.46	24.3
	1918	162	9,817,226	60,600	50.0	153,167	945	20.8	1.56	19.2
	1914	162	6,545,633	40,405		126,637	782		1.93	
40 and over	1919	49	12,945,171	264,187	157.9	353,095	7,206	122.1	2.73	13.9
	1918	49	8,926,702	182,178	77.8	230,189	4,698	44.6	2.58	18.6
	1914	49	5,019,648	102,442		159,016	3,245		3.17	

Table 20 shows that the per cent. of increase in the average amount of advertising expense per store, for stores in the large cities, is greater than that for stores in small cities, and that it exceeds the proportional increase in the amount of sales per store for stores in large cities as compared with that in small cities. That is, for stores in large cities, an increase of 122.1 per cent. in advertising is accompanied by an increase of 157.9 per cent. in sales; while, for stores in small cities, an increase of 57.8 per cent. in advertising is accompanied by an increase of 109.1 per cent. in sales. This would seem to indicate that a large percentage of advertising expense in the stores in the large cities did not result in sales, or at least was not as effective in securing sales as was the advertising on the part of the stores in the small cities. This conclusion seems to be justified in view of the percentages of decrease between 1914 and 1919 for the two groups of stores when their advertising expense is expressed in terms of total net sales. The decrease for the stores in the small cities was 24.3 per cent., while that for stores in the large cities was 13.9 per cent. It should be remembered that identical stores throughout the three years in the two city-groups are being compared, so that the differences noted cannot be attributed to a changing number of stores. Table 20 will merit careful study.

C.—Yearly Expenditures for Advertising per $100 of Total Net Sales for Stores Classified by Size of Store and by Size of City in Which Located, 1919, 1918, and 1914.*

The discussion under *A* and *B* above had to do with the amount of expenditures for advertising in stores classified first, by size, and second, by the size of the cities in which they are located. In this section the stores are classified by size as well as by the size of the cities in which they are located. The purpose of this double classification is to determine more clearly the relationship between advertising expense and total net sales. It seems unnecessary in this discussion to distribute the stores in more than four sales-groups. Moreover, cities are divided into but two major groups—those with population under 40,000 and those with population of 40,000 and over.

The average amount of expenditures for advertising per $100 of total net sales for stores in the small cities is $1.52 for the years 1919, 1918, and 1914, combined. For the same period, the average for the stores in cities with population of 40,000 and over is $2.67. This represents a difference of $1.15 or 75.7 per cent. The amounts of advertising expense in terms of sales increase with the size of the stores both in the small and in the large cities, although the

* Population figures are for 1920

rate of increase is not uniform from store-group to store-group.

It is interesting to compare the advertising expense per unit of sales for stores of similar size—so far as the group into which they fall is concerned—in cities of different size. Stores in the small cities with sales under $40,000 spend, on the average, for advertising $1.47 per $100 of total net sales. Those of similar size in the large cities spend, on the average, $2.00. Stores in the small cities with sales between $40,000 and $80,000 spend, on the average, $1.45 per $100 of total net sales, while those of the same size in the large cities spend $2.08. For stores with sales of $80,000 to $180,000, located in small cities, the expenditure for advertising is $1.59 per $100 of total net sales, while the amount spent by those of similar size in large cities is $2.75. That is, the difference between the amounts spent by these stores in the different sized cities is more than twice as great as is the difference between the amounts spent by stores with annual sales under $40,000 in the two groups of cities. The contrast for stores with sales of $180,000 and over in the two groups of cities

TABLE 21

TOTAL NET SALES, ADVERTISING EXPENSE, AND AMOUNT OF ADVERTISING PER $100 OF TOTAL NET SALES FOR STORES CLASSIFIED BY SIZE OF STORE AND CITY, 1919, 1918, AND 1914, COMBINED

Size of City (in 000's)	Classified Total Net Sales (in 000's)	Stores Reporting on Advertising				Ratio Which Amount of Advertising per $100 of Total Net Sales for Stores of Different Size, is of the Amount for All Stores	Per Cent.
		Number of Store-years	Total Net Sales	Total Advertising	Amount of Advertising per $100 of Total Net Sales	Per Cent. 0 20 40 60 80 100 120 140	
Total (Average)	Total (Average)	881	$79,441,369	$1,645,968	$2.07		100.0
	Under $40	264	7,243,615	109,983	1.52		73.4
	$40 to $80	316	18,187,395	285,510	1.57		75.8
	$80 to $180	219	25,345,872	513,531	2.03		98.1
	$180 & over	80	28,664,487	736,944	2.57		124.2
Under 40	Total (Average)	561	41,144,414	624,632	1.52		73.4
	Under $40	243	6,582,302	96,770	1.47		71.0
	$40 to $80	261	14,678,388	212,497	1.45		70.0
	$80 to $180	139	15,806,570	251,357	1.59		76.8
	$180 & over	18	4,077,154	64,008	1.57		75.8
40 and over	Total (Average)	320	38,296,955	1,021,336	2.67		129.0
	Under $40	21	661,313	13,213	2.00		96.6
	$40 to $80	57	3,509,007	73,013	2.08		100.5
	$80 to $180	80	9,539,302	262,174	2.75		132.9
	$180 & over	62	24,587,333	672,936	2.74		132.4

Average $2.07

is essentially the same as that for stores with sales of $80,000 to $180,000, and seems to suggest, so far as advertising is concerned, the disadvantage under which stores in large cities operate as compared with stores of essentially the same size in small cities.

Stores of essentially the same size in different sized cities may be compared according to the amounts of expenditure for advertising and for rent. In Volume II * it was shown that large stores in large cities have an advantage over large stores in small cities in rent expense per $100 of total net sales. The reverse condition holds for advertising expense per $100 of total net sales. Moreover, it was shown that small stores in large cities operate at a disadvantage in rent payments in terms of sales as compared with stores of the same size in small cities. A similar condition obtains in the amount of advertising expense in terms of sales.

Of course, so-called small and large stores and small and large cities are not of equal size. Generally speaking, however, large stores operate at a disadvantage in advertising expense, when expressed in terms of total net sales, as compared to small

* Page 122.

TABLE 22

TOTAL NET SALES, ADVERTISING EXPENSE, AND AMOUNT OF ADVERTISING PER $100 OF TOTAL NET SALES FOR STORES CLASSIFIED BY SIZE OF STORE AND CITY, 1919

Size of City (in 000's)	Classified Total Net Sales (in 000's)	Stores Reporting on Advertising				Ratio Which Amount of Advertising per $100 of Total Net Sales for Stores of Different Size in Cities of Different Size, is of the Amount for All Stores	Per Cent.
		Number	Total Net Sales	Total Advertising	Amount of Advertising per $100 of Total Net Sales	Per Cent. 0 20 40 60 80 100 120 140 160 180	
Total (Average)	Total (Average)	367	$41,850,488	$828,709	$1.98		100.0
	Under $40	61	1,826,987	23,336	1.28		64.6
	$40 to $80	140	7,993,337	102,327	1.28		64.6
	$80 to $180	116	13,751,808	246,605	1.79		90.4
	$180 & over	50	18,278,356	456,441	2.50		126.3
Under 40	Total (Average)	276	21,567,886	301,719	1.40		70.7
	Under $40	57	1,716,645	19,729	1.15		58.1
	$40 to $80	124	7,003,813	87,792	1.25		63.1
	$80 to $180	80	9,404,674	140,439	1.49		75.3
	$180 & over	15	3,442,754	53,759	1.56		78.8
40 and over	Total (Average)	91	20,282,602	526,990	2.60		131.3
	Under $40	4	110,342	3,607	3.27		165.2
	$40 to $80	16	989,524	14,535	1.47		74.2
	$80 to $180	36	4,347,134	106,166	2.44		123.2
	$180 & over	35	14,835,602	402,682	2.71		136.9

Average $1.98

stores, the degree of disadvantage being larger for stores in the large than for stores in the small cities.* Table 21 bears directly upon this point and measures the degree of difference for stores of different size and location.

In Table 22, the relation of advertising expense to total net sales is shown for 1919 for stores of different size, classified by the size of city in which they are located. The data for this year, while in general supporting the conclusions indicated above for the combined years, are less satisfactory for some of the groups in showing the relationships which obtain. The amounts generally increase, however, with the size of the stores both in the small and in the large cities. The differences between stores of the same size in the two groups of cities follow, in a general way, those indicated for the three years combined.

Table 23 is similar to Tables 21 and 22, but contains the data for 1918.

In Table 24 the amount of advertising expense per $100 of total net sales is shown for the year 1914 for

* The rapidity of stock turnover, however, operates as a compensating factor in favor of the large stores. Turnover is discussed in Volume V.

TABLE 23

TOTAL NET SALES, ADVERTISING EXPENSE, AND AMOUNT OF ADVERTISING PER $100 OF TOTAL NET SALES FOR STORES CLASSIFIED BY SIZE OF STORE AND CITY, 1918

Size of City (in 000's)	Classified Total Net Sales (in 000's)	Stores Reporting on Advertising				Ratio Which Amount of Advertising per $100 of Total Net Sales for Stores of Different Size in Cities of Different Size, is of the Amount for All Stores	Per Cent.
		Number	Total Net Sales	Total Advertising	Amount of Advertising per $100 of Total Net Sales	Per Cent. 0 20 40 60 80 100 120 140	
Total (Average)	Total (Average)	322	$26,652,956	$542,992	$2.04		100.0
Total (Average)	Under $40	108	2,996,029	41,856	1.40		68.6
	$40 to $80	117	6,800,743	106,793	1.57		77.0
	$80 to $180	72	8,164,863	168,866	2.07		101.5
	$180 & over	25	8,691,321	225,477	2.59		127.0
Under 40	Total (Average)	240	13,616,618	204,727	1.50		73.5
	Under $40	101	2,775,026	39,099	1.41		69.1
	$40 to $80	92	5,246,815	75,891	1.45		71.1
	$80 to $180	44	4,960,377	79,488	1.60		78.4
	$180 & over	3	634,400	10,249	1.62		79.4
40 and over	Total (Average)	82	13,036,338	338,265	2.59		127.0
	Under $40	7	221,003	2,757	1.25		61.3
	$40 to $80	25	1,553,928	30,902	1.99		97.5
	$80 to $180	28	3,204,486	89,378	2.79		136.8
	$180 & over	22	8,056,921	215,228	2.67		130.9

Average $2.04

stores classified by size and by size of the cities in which they are located. For this year the data are less satisfactory than for either 1918 or 1919, and the relations between advertising expense and sales, for the different groups of stores, are more erratic and uncertain.

From the above tables, a comparison of the amounts of advertising expense in terms of net sales for stores of the same size in the two groups of cities may be made for the years 1919, 1918, and 1914. Although the reader may do this for himself, it may be worth while to show the relation for a single group of stores. In 1914, 85 stores with annual sales less than $40,000, and located in cities with population under 40,000, reported their sales and advertising expenses. The amount of advertising expense per $100 of total net sales for these stores in this year was $1.81. In 1918, for 101 stores fulfilling these conditions, the amount was $1.41; and for 57 stores in 1919, the ratio was $1.15. That is, between 1914 and 1919, the amounts decreased from $1.81 to $1.15, or by 36.5 per cent.

TABLE 24

TOTAL NET SALES, ADVERTISING EXPENSE, AND AMOUNT OF ADVERTISING PER $100 OF TOTAL NET SALES FOR STORES CLASSIFIED BY SIZE OF STORE AND CITY, 1914

Size of City (in 000's)	Classified Total Net Sales (in 000's)	Stores Reporting on Advertising				Ratio Which Amount of Advertising per $100 of Total Net Sales for Stores of Different Size in Cities of Different Size, is of the Amount for All Stores	Per Cent.
		Number	Total Net Sales	Total Advertising	Amount of Advertising per $100 of Total Net Sales		
Total (Average)	Total (Average)	192	$10,937,925	$274,267	$2.51		100.0
	Under $40	95	2,420,599	44,791	1.85		73.7
	$40 to $80	61	3,393,315	76,390	2.25		89.6
	$80 to $180	31	3,429,201	98,060	2.86		113.9
	$180 & over	5	1,694,810	55,026	3.25		129.5
Under 40	Total (Average)	145	5,959,910	118,186	1.98		78.9
	Under $40	85	2,090,631	37,942	1.81		72.1
	$40 to $80	45	2,427,760	48,814	2.01		80.1
	$80 to $180	15	1,441,519	31,430	2.18		86.9
	$180 & over	-	-	-	-		-
40 and over	Total (Average)	47	4,978,015	156,081	3.14		125.1
	Under $40	10	329,968	6,849	2.06		82.9
	$40 to $80	16	965,555	27,576	2.86		113.9
	$80 to $180	16	1,987,682	66,630	3.35		133.6
	$180 & over	5	1,694,810	55,026	3.25		129.5

Per Cent. 0 20 40 60 80 100 120 140

Average $2.51

Similar decreases for stores of other sizes between 1914 and 1919 may be seen by consulting Tables 22, 23, and 24. It is unnecessary here to call attention to all of these differences from year to year and from group to group for the various years. The graphic parts of the tables set them out in bold relief.

The question may be raised as to how completely the averages, given in the four preceding tables, characterize the various stores to which the averages refer. In order to answer this question, Tables 25 and 26 have been prepared. These tables relate to the year 1919, and show the classified amounts of advertising expense for the 367 stores which together averaged $1.98. The amounts range from under $0.50 to $5.00 to $6.00. The purpose of these tables is to illustrate and support the significance of the averages derived for this year. A brief comment will serve to emphasize their meaning.

TABLE 25

NUMBER OF STORES REPORTING CLASSIFIED AMOUNTS OF ADVERTISING PER $100 OF TOTAL NET SALES, CLASSIFIED BY SIZE OF STORE AND CITY, 1919

Size of City (in 000's)	Classified Total Net Sales (in 000's)	Number of Stores Reporting Classified Amounts of Advertising per $100 of Total Net Sales									
		Total	Under $0.50	$0.50 to $1.00	$1.00 to $1.50	$1.50 to $2.00	$2.00 to $2.50	$2.50 to $3.00	$3.00 to $4.00	$4.00 to $5.00	$5.00 to $6.00
Total	Total	367	30	90	85	51	45	30	17	13	6
	Under $40	61	8	18	16	10	2	3	3	-	1
	$40 to $80	140	13	49	34	13	18	7	4	2	-
	$80 to $180	116	7	18	30	20	18	11	3	6	3
	$180 & over	50	2	5	5	8	7	9	7	5	2
Under 40	Total	276	26	81	74	38	29	16	7	5	-
	Under $40	57	8	18	16	8	2	3	2	-	-
	$40 to $80	124	11	45	33	10	15	4	4	2	-
	$80 to $180	80	6	15	23	16	10	6	1	3	-
	$180 & over	15	1	3	2	4	2	3	-	-	-
40 and over	Total	91	4	9	11	13	16	14	10	8	6
	Under $40	4	-	-	-	2	-	-	1	-	1
	$40 to $80	16	2	4	1	3	3	3	-	-	-
	$80 to $180	36	1	3	7	4	8	5	2	3	3
	$180 & over	35	1	2	3	4	5	6	7	5	2

The average amount of advertising expense per $100 of total net sales for stores in cities with population under 40,000 was $1.40. Table 25, however, shows that 26 of the 276 stores reported amounts less than $0.50, while 5 reported amounts between $4.00 and $5.00. Eighty-one stores reported amounts between $0.50 and $1.00 and 74 reported amounts between $1.00 and $1.50. A number of stores reported amounts in excess of $1.50 per $100 of total net sales, but the characteristic expenditure, as indicated by the table, was between $0.50 and $1.50.

Table 26 graphically illustrates the number of stores in cities of different size which reported the different classified amounts. It will be noted that the most characteristic amount, for the stores in cities with population under 40,000, is $0.50 to $1.00, while for the stores in cities with population of 40,000 and over, it is between $2.00 and $2.50. How generally these amounts obtain, is indicated by the lengths of the bars in the graphic part of this table.

TABLE 26

NUMBER AND PER CENT. OF STORES REPORTING CLASSIFIED AMOUNTS OF ADVERTISING PER $100 OF TOTAL NET SALES, BY SIZE OF CITY, 1919

Yearly Expenditures for Advertising per $100 of Total Net Sales	Stores in Cities of Different Size					
	Population Under 40,000			Population 40,000 and over		
	Number	Per Cent.		Number	Per Cent.	
		Amount	Graphic (Per Cent. 0 10 20 30)		Amount	Graphic (Per Cent. 0 10 20 30)
Total	276	100.0		91	100.0	
Under $0.50	26	9.4		4	4.4	
$0.50 to $1.00	81	29.4		9	9.9	
$1.00 to $1.50	74	26.8		11	12.1	
$1.50 to $2.00	38	13.8		13	14.3	
$2.00 to $2.50	29	10.5		16	17.6	
$2.50 to $3.00	16	5.8		14	15.4	
$3.00 to $4.00	7	2.5		10	10.9	
$4.00 to $5.00	5	1.8		8	8.8	
$5.00 to $6.00	-	-		6	6.6	

D.—Summary.

(1). Both sales and advertising expense per store increased between 1914 and 1919. The rate of increase for the former was approximately double the rate for the latter. Advertising expense per $100 of sales consequently decreased during the period.

(2). The amounts of advertising expense per $100 of total net sales increase directly with the size of the stores. The averages, for the three years combined, range from $1.52 for the stores with sales under $40,000, to $2.57 for those with sales of $180,000 and over. An increase with the size of the stores holds for each of the years for both identical and a varying number of stores.

(3). Stores in large cities pay more for advertising in proportion to their sales, than do stores in small cities. This is true for all stores, as well as for stores of the same size.

(4). The ratio of advertising expense to total net sales shows a higher rate of decrease between 1914 and 1919 in small than in large cities. Both sales and advertising expense increased in stores in small and large cities, the rate of increase for each amount being higher for large than for small cities. However, the ratio between the rates of increase for the two amounts—sales and advertising—was higher for small than for large cities. Stores in small cities increased their sales 109.1 per cent. during the period, while they increased their advertising expense 57.8 per cent. On the other hand, for stores in large cities, an increase of 157.8 per cent. in sales was accompanied by an increase of 122.1 per cent. in advertising expense for the period 1914 to 1919.

2.—YEARLY EXPENDITURES FOR ADVERTISING IN RELATION TO TOTAL EXPENSE, 1919, 1918, AND 1914.

In Volumes II and III, comparisons were made between certain items of expense and total expense.* A similar analysis is now made for expense for advertising.

A.—Yearly Expenditures for Advertising per $100 of Total Expense, 1919, 1918, and 1914.

For the purpose of comparing advertising expense with total expense, for the combined years, 1919, 1918, and 1914, the experience of 881 store-years, with $18,148,743 total expense and $1,645,968 of advertising expense, is available. For these stores, the amount of advertising expense per

* Total expense is defined in Volume III, p. 241.

$100 of total expense is $9.07. In 1919 this amount was $9.13; in 1918, $8.52; and in 1914, $10.15. That is, between 1914 and 1918, the amount decreased by $1.63 or 16.1 per cent., and between 1918 and 1919, increased by $0.61 or 7.2 per cent. Relatively, the amount in 1919 was 100.7 per cent. of the average. In 1918 it was 93.9 per cent., and in 1914, 111.9 per cent. The direction of change in the amount of expenditure from year to year is different from that which characterized rent. Rent per unit of total expense fell consistently during the years 1914, 1918, and 1919.* Wages and salaries per $100 of total expense, on the other hand, increased both between 1914 and 1918, and between 1918 and 1919.† General expense increased between 1914 and 1918, but decreased between 1918 and 1919.‡ That is, the tendency is the reverse of that for advertising in terms of total expense.

During these years the amounts of both total and advertising expense per store increased. The amount of total expense per store was $14,069 in 1914, $19,796 in 1918, and $24,723 in 1919. The amount of advertising expense per store was $1,428 in 1914, $1,686 in 1918, and $2,258 in 1919. Between 1914 and 1918 total expense increased faster than did advertising, while between 1918 and 1919 the reverse condition obtained. The amount of advertising in proportion to total expense, therefore, decreased between 1914 and 1918, and increased between 1918 and 1919. The changes from year to year are shown both in amounts and in graphic form in Table 27.

B.—Yearly Expenditures for Advertising per $100 of Total Expense for Stores Classified by Size, 1919, 1918, and 1914.

On the basis of the data used in this study, there is an unmistakable tendency for advertising expense per $100 of total net sales to increase with the size of stores. Does the same principle hold for the relation between advertising and total expense? The answer to this question is found in Tables 28, 29, 30, and 31.

For the combined years 1919, 1918, and 1914, the average amount of advertising expense per $100 of total expense, for 881 store-years with $18,148,743 total expense and $1,645,968 advertising expense, is $9.07. The minimum ratio between these amounts is $6.95 and applies to stores with annual sales of $20,000 to $40,000. The largest amount—$11.74—is for stores with annual sales of $500,000 and over. When the stores are classified into broad sales-groups, the amounts range from $7.10, for stores with sales under $40,000, to $10.32 for those with sales of $180,000 and over. Between the minimum and the maximum amounts, the direction of change is constant and the degree of the change essentially uniform. When the stores are

* Vol. II, p. 127.
† Vol. II, p. 157.
‡ Vol. III, p. 214.

TABLE 27

TOTAL EXPENSE, ADVERTISING EXPENSE, AND AMOUNT OF ADVERTISING PER $100 OF TOTAL EXPENSE, 1919, 1918, AND 1914

Years	Stores Reporting on Advertising				Ratio Which Amount of Advertising per $100 of Total Expense for Each Year, is of the Amount for All Years	Per Cent
	Number of Store-years	Total Expense	Total Advertising	Amount of Advertising per $100 of Total Net Sales	Per Cent. 0 20 40 60 80 100 120	
Total (Average)	881	$18,148,743	$1,645,968	$9.07		100.0
1919	367	9,073,229	828,709	9.13		100.7
1918	322	6,374,278	542,992	8.52		93.9
1914	192	2,701,236	274,267	10.15		111.9

Average $9.07

TABLE 28

TOTAL EXPENSE, ADVERTISING EXPENSE, AND AMOUNT OF ADVERTISING PER $100 OF TOTAL EXPENSE FOR STORES CLASSIFIED BY SIZE, 1919, 1918, AND 1914, COMBINED

Classified Total Net Sales (in 000's)	Stores Reporting on Advertising				Ratio Which Amount of Advertising per $100 of Total Expense for Stores of Different Size, is of the Amount for All Stores	Per Cent.
	Number of Store-years	Total Expense	Total Advertising	Amount of Advertising per $100 of Total Expense	Per Cent. 0 20 40 60 80 100 120 140	
Total (Average)	881	$18,148,743	$1,645,968	$9.07		100.0
Under $20	45	169,239	14,043	8.30		91.5
$20 to $40	218	1,380,277	95,940	6.95		76.6
$40 to $60	193	1,870,588	134,767	7.20		79.4
$60 to $80	125	1,887,670	150,743	7.99		88.1
$80 to $100	80	1,529,917	139,997	9.15		100.9
$100 to $140	96	2,618,122	232,834	8.89		98.0
$140 to $180	43	1,553,633	140,700	9.06		99.9
$180 to $220	23	1,041,181	109,317	10.50		115.8
$220 to $300	24	1,560,810	149,416	9.57		105.5
$300 to $500	23	2,244,092	208,980	9.31		102.6
$500 & over	10	2,293,214	269,231	11.74		129.4
Under $40	264	1,549,516	109,983	7.10		78.3
$40 to $80	318	3,758,258	285,510	7.60		83.8
$80 to $180	219	5,701,672	513,551	9.01		99.3
$180 & over	80	7,139,297	736,944	10.32		113.8

Average $9.07

classified into narrow groups, the amounts are more or less erratic, but the general direction of change is still evident. Accordingly, the amounts of advertising expense per $100 of total expense for stores of different size change in the same direction as the amounts of advertising expense per $100 of total net sales. The reader may, by referring to Tables 5 to 8, inclusive, compare the amounts in terms of net sales with those in terms of total expense shown in Table 28.

Table 29 shows the amounts of advertising expense per $100 of total expense in 1919 for 367 stores classified according to size. The average amount for all stores is $9.13. The minimum amount, when the stores are classified into narrow groups, is $6.72, while the maximum is $11.82. The maximum, however, refers to only 7 stores—an insufficient number to produce a wholly satisfactory average.

When the stores are classified into broader groups, as in the lower part of the table, the amounts range from $6.63 to $10.39. For the stores in the

TABLE 29

TOTAL EXPENSE, ADVERTISING EXPENSE, AND AMOUNT OF ADVERTISING PER $100 OF TOTAL EXPENSE FOR STORES CLASSIFIED BY SIZE, 1919

Classified Total Net Sales (in 000's)	Stores Reporting on Advertising				Ratio Which Amount of Advertising per $100 of Total Expense for Stores of Different Size, is of the Amount for All Stores	Per Cent.
	Number	Total Expense	Total Advertising	Amount of Advertising per $100 of Total Expense	Per Cent. 0 20 40 60 80 100 120 140	
Total (Average)	367	$9,073,229	$828,709	$9.13		100.0
Under $20	4	11,865	461	3.88		42.5
$20 to $40	57	340,230	22,875	6.72		73.6
$40 to $60	84	713,880	48,006	6.72		73.6
$60 to $80	56	779,593	54,321	6.97		76.3
$80 to $100	39	664,937	55,866	8.40		92.0
$100 to $140	53	1,354,169	122,541	9.05		99.1
$140 to $180	24	813,508	68,198	8.38		91.8
$180 to $220	13	535,730	54,921	10.25		112.3
$220 to $300	15	937,526	102,279	10.91		119.5
$300 to $500	15	1,374,842	116,349	8.46		92.7
$500 & over	7	1,546,929	182,892	11.82		129.5
Under $40	61	352,115	23,336	6.63		72.6
$40 to $80	140	1,493,473	102,327	6.85		75.0
$80 to $180	116	2,832,614	246,605	8.71		95.4
$180 & over	50	4,395,027	456,441	10.39		113.8

Average $9.13

two smaller groups, they closely agree, but for those with sales in excess of $80,000, they differ noticeably.

The direction of change in this year from store-group to store-group is similar to that for the combined years; that is, the amounts increase as the stores increase in size.

Table 30 contains data similar to those shown in Tables 28 and 29, but refers to the year 1918. In this year the average amount of advertising expense per $100 of total expense is $8.52. The minimum amount, when the stores are classified into narrow groups, is $6.10 and applies to stores with annual sales of $40,000 to $60,000. The maximum amount is $11.26, the average for 2 stores with annual sales of $500,000 and over.

When the stores are classified into wider groups, as in the lower part of the table, the amounts range from $6.53 to $9.89. Moreover, they increase with the increased size of stores. The changes for this year, therefore, are in keeping with those for 1919 and for the combined years.

TABLE 30

TOTAL EXPENSE, ADVERTISING EXPENSE, AND AMOUNT OF ADVERTISING PER $100 OF TOTAL EXPENSE FOR STORES CLASSIFIED BY SIZE, 1918

Classified Total Net Sales (in 000's)	Stores Reporting on Advertising				Ratio Which Amount of Advertising per $100 of Total Expense for Stores of Different Size, is of the Amount for All Stores	Per Cent.
	Number	Total Expense	Total Advertising	Amount of Advertising per $100 of Total Expense	Per Cent. 0 20 40 60 80 100 120 140	
Total (Average)	322	$6,374,278	$542,992	$8.52		100.0
Under $20	19	74,721	5,762	7.71		90.5
$20 to $40	89	566,561	36,094	6.37		74.8
$40 to $60	67	688,549	42,010	6.10		71.6
$60 to $80	50	767,895	64,783	8.44		99.1
$80 to $100	28	601,011	56,002	9.32		109.4
$100 to $140	30	857,857	61,970	7.22		84.7
$140 to $180	14	538,387	50,894	9.45		110.9
$180 to $220	7	347,146	38,160	10.99		129.0
$220 to $300	9	623,284	47,137	7.56		88.7
$300 to $500	7	746,850	76,871	10.29		120.8
$500 & over	2	562,017	63,309	11.26		132.2
Under $40	108	641,282	41,856	6.53		76.6
$40 to $80	117	1,456,444	106,793	7.33		86.0
$80 to $180	72	1,997,255	168,866	8.45		99.2
$180 & over	25	2,279,297	225,477	9.89		116.1

Average $8.52

For 1914, 192 stores reported both their total and their advertising expense. The average amount of advertising expense per $100 of total expense is $10.15. The minimum amount—$7.81—is for stores with sales between $20,000 and $40,000, while the maximum—$12.88—is for but one store with sales from $300,000 to $500,000.

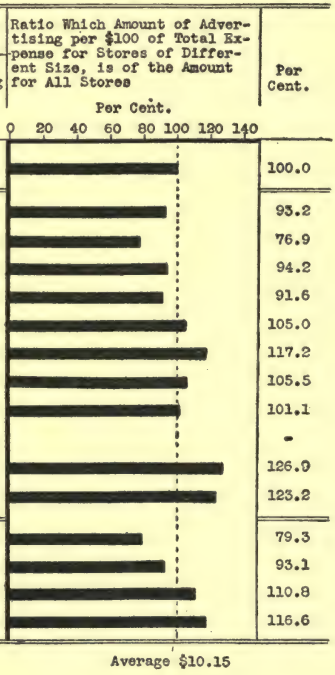
When the stores are classified into wider groups, as in the lower part of Table 31, the amounts range from $8.05 to $11.83. The changes from store-group to store-group are regular and surprisingly uniform.

Upon the basis of the data for the individual as well as for the combined years, the conclusion is warranted that the amounts of advertising expense per $100 of total expense increase as the stores increase in size. There is no exception to this rule when the stores are grouped in wide classes. Even when they are grouped into narrow classes, the rule generally obtains, although there are minor exceptions at various places.

TABLE 31

TOTAL EXPENSE, ADVERTISING EXPENSE, AND AMOUNT OF ADVERTISING PER $100 OF TOTAL EXPENSE FOR STORES CLASSIFIED BY SIZE, 1914

Classified Total Net Sales (in 000's)	Stores Reporting on Advertising				Ratio Which Amount of Advertising per $100 of Total Expense for Stores of Different Size, is of the Amount for All Stores	Per Cent.
	Number	Total Expense	Total Advertising	Amount of Advertising per $100 of Total Expense		
Total (Average)	192	$2,701,236	$274,267	$10.15		100.0
Under $20	23	82,633	7,820	9.46		93.2
$20 to $40	72	473,486	36,971	7.81		76.9
$40 to $60	42	468,159	44,751	9.56		94.2
$60 to $80	19	340,182	31,639	9.30		91.6
$80 to $100	13	263,969	28,129	10.66		105.0
$100 to $140	13	406,096	48,323	11.90		117.2
$140 to $180	5	201,738	21,608	10.71		105.5
$180 to $220	3	158 305	16,236	10.26		101.1
$220 to $300	-	-	-	-		-
$300 to $500	1	122,400	15,760	12.88		126.9
$500 & over	1	184,268	23,030	12.50		123.2
Under $40	95	556,119	44,791	8.05		79.3
$40 to $80	61	808,341	76,390	9.45		93.1
$80 to $180	31	871,803	98,060	11.25		110.8
$180 & over	5	464,973	55,026	11.83		116.6



If stores of similar size are compared in respect to the amount of advertising expense per $100 of total expense, the decrease from 1914 to 1919, shown in Table 27 for the years as a total, also holds in a general way for those in each of the different sales-groups. For those with sales under $40,000, the average amount in 1914 was $8.05; in 1918 it was $6.53; and in 1919, $6.63. The average for the three years is $7.10. For the stores with sales between $40,000 and $80,000, the average in 1914 was $9.45. The corresponding average in 1918 was distinctly lower, the amount being $7.33. In 1919, the amount was $6.85. That is, for this group, from year to year, there was a distinct tendency for the amounts to decrease. A similar decrease occurred between 1914 and 1918 for stores with sales between $80,000 and $180,000. Between 1918 and 1919, however, the amount slightly increased. A like increase obtained between 1918 and 1919 for the stores with sales of $180,000 and over. Between 1914 and 1918, the amounts for this group of stores decreased.

In a word, therefore, the amount for each of the four sales-groups was higher in 1914 than it was in either 1918 or 1919. This is in keeping with the summary shown in Table 27. It, however, does not agree with the direction of change of advertising expense to total net sales for the different years.

It will be recalled, as shown in Table 1,* that the amounts of advertising expense per $100 of total net sales decreased from year to year—1914, 1918, and 1919. That is, sales increased faster than advertising. Total expense between 1914 and 1918 increased faster than advertising, while between 1918 and 1919 advertising increased faster than total expense, with the result that between 1914 and 1918, amounts of advertising in terms of expense decreased, while between 1918 and 1919 they increased. This comparison does not refer, however, to identical stores. If the records of 156 stores are compared, the amounts spent for advertising in terms of total net sales decreased in 1918 and 1919 as compared with 1914, and increased in 1919 as compared with 1918. Similarly, for these stores the amounts spent for advertising in terms of total expense decreased in 1918 and 1919 as compared with 1914, but by somewhat smaller amounts than did advertising expense in terms of total net sales. Between 1918 and 1919, however, the amounts spent for advertising per $100 of total expense increased more than twice as much relatively as advertising expense per $100 of total net sales. This means that in 1919, as compared with 1918, amounts spent for advertising increased more than total expenses, yet in spite of this fact sales relative to advertising decreased.

* Page 288.

C.—Yearly Expenditures for Advertising per $100 of Total Expense in Stores Classified by Geographical Divisions, 1919, 1918, and 1914.*

Is advertising in terms of total expense higher or lower in clothing stores in certain divisions of the United States than it is in others? Tables 32 and 33 help to answer this question.

In Table 32, the relationship between these two expense items for the major geographical divisions is shown for the years 1919, 1918, and 1914, combined. The average expense per $100 of total expense for all divisions, based upon 881 store-years, is $9.07. The amounts for the stores in the East and in the East North Central exceed the average, while those for the South, the West North Central, and the West are less than the average. The averages for the different geographical divisions, however, are strikingly uniform; the largest amount of variation being $0.73 for the divisions which exceed the average, and $0.59 for those which are less than it. The lengths of the bars in the graphic part of Table 32 indicate the striking similarity of these amounts.

Table 33 shows the amounts of advertising expense per $100 of total expense for each of the geographical divisions, for the years 1919, 1918, and 1914, separately. In each of the various regions of the country the amounts decreased between 1914 and 1918, and increased between 1918 and 1919. That is, what is true for the country as a whole is also true for the individual sections. The graphic part of Table 33 shows the surprising uniformity of the amounts and direction of change from year to year and from area to area.

* The boundaries of the different geographical divisions of the United States used in this study are defined in Volume I.

TABLE 32

TOTAL EXPENSE, ADVERTISING EXPENSE, AND AMOUNT OF ADVERTISING PER $100 OF TOTAL EXPENSE FOR STORES CLASSIFIED BY GEOGRAPHICAL DIVISIONS, 1919, 1918, AND 1914, COMBINED

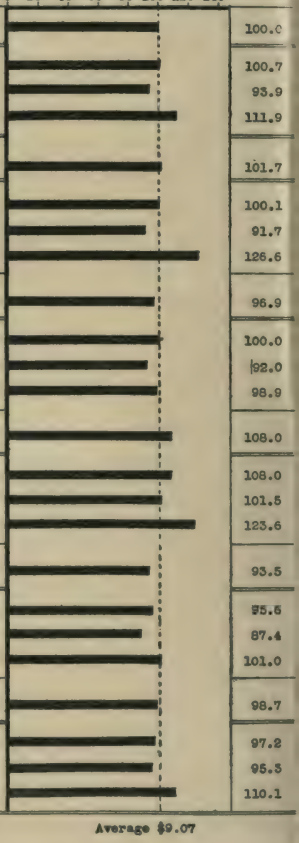
Geographical Divisions	Stores Reporting on Advertising				Ratio Which the Amount of Advertising per $100 of Total Expense for Each Division, is of the Amount for All Divisions	Per Cent.
	Number of Store-years	Total Expense	Total Advertising	Amount of Advertising per $100 of Total Expense	Per Cent. 0 20 40 60 80 100 120	
Total (Average)	881	$19,148,743	$1,645,968	$9.07		100.0
The East	140	2,449,686	225,835	9.22		101.7
The South	129	4,162,418	366,070	8.79		96.9
East North Central	260	4,693,706	460,116	9.80		108.0
West North Central	266	3,946,966	334,865	8.48		93.5
The West	86	2,895,967	259,082	8.95		98.7

Average $9.07

TABLE 33

TOTAL EXPENSE, ADVERTISING EXPENSE, AND AMOUNT OF ADVERTISING PER $100 OF TOTAL EXPENSE FOR STORES CLASSIFIED BY GEOGRAPHICAL DIVISIONS, 1919, 1918, AND 1914

Geographical Divisions	Years	Stores Reporting on Advertising				Ratio Which Amount of Advertising per $100 of Total Expense for All Divisions and for Each Division, is for Each Year Based on the Average for All Years	Per Cent.
		Number of Store-years	Total Expense	Total Advertising	Amount of Advertising per $100 of Total Expense		
Total (Average)	Total (Average)	881	$18,148,743	$1,645,968	$9.07		100.0
	1919	367	9,073,229	828,709	9.13		100.7
	1918	322	6,374,278	542,992	8.52		93.9
	1914	192	2,701,236	274,267	10.15		111.9
The East	Total (Average)	140	2,449,686	225,835	9.22		101.7
	1919	54	1,179,397	107,046	9.08		100.1
	1918	51	854,584	71,084	8.32		91.7
	1914	35	415,705	47,705	11.48		126.6
The South	Total (Average)	129	4,162,418	366,070	8.79		96.9
	1919	59	2,131,462	193,375	9.07		100.0
	1918	48	1,506,572	125,680	8.34		92.0
	1914	22	524,384	47,015	8.97		98.9
East North Central	Total (Average)	260	4,693,706	460,116	9.80		108.0
	1919	107	2,349,184	230,187	9.80		108.0
	1918	94	1,644,242	151,452	9.21		101.5
	1914	59	700,280	78,477	11.21		123.6
West North Central	Total (Average)	266	3,946,966	334,865	8.48		93.5
	1919	111	1,962,109	170,187	8.67		95.6
	1918	97	1,392,806	110,444	7.93		87.4
	1914	58	592,051	54,234	9.16		101.0
The West	Total (Average)	86	2,895,967	259,082	8.95		98.7
	1919	36	1,451,077	127,914	8.82		97.2
	1918	32	976,074	84,332-	8.64		95.3
	1914	18	468,816	46,836	9.99		110.1



D.—Summary.

(1). Between 1914 and 1919, the average amounts spent for advertising per $100 of total expense decreased. Between 1918 and 1919, however, they increased. This condition characterizes the stores not only when averaged as a whole, but also when classified

by size. Moreover, it is true for a varying group as well as for identical stores.

(2). For the combined and individual years 1919, 1918, and 1914, expenditures for advertising per $100 of total expense increase as stores increase in size. That is, the nature of the change for advertising in terms of both total expense and total net sales, for stores of different size, is identical.

(3). The amounts spent for advertising per $100 of total expense are strikingly uniform for the different geographical divisions of the country. They decreased for all divisions between 1914 and 1918, and increased between 1918 and 1919.

3.—YEARLY EXPENDITURES FOR ADVERTISING PER $100 OF EXPENDITURES FOR RENT, FOR WAGES AND SALARIES, AND FOR GENERAL EXPENSE.

Under Sections 1 and 2, immediately above, the amounts of yearly expenditures for advertising were expressed in terms of total net sales and of total expense. These are the more customary ways of expressing the relative amounts of expenditure for this purpose. But they may be stated otherwise. In view of the fact that the data available on expenditures for this purpose may be expressed not only in terms of actual ratios, but also in the direction of change for stores of different size, and also that the direction of change is not uniform for all items of expense, such as rent, wages and salaries, etc., it is thought that it would be of interest to show, in a single table for 156 identical stores, the ratios of advertising expense to expenditures for rent, for wages and salaries, and for general expense. This is done in Table 34.

In Volume II, both for identical and for a varying number of stores, it was shown that the amounts of rent expense increase with the size of stores. In this volume, at various places, it is shown that the amounts of expense for advertising increase with the increased size of stores. That is, the direction of change for the two items of expense is identical. In Table 34, the amounts of expense for advertising are expressed in terms of rent, the unit being $100 of rent expenditure. For the combined years, $84.04 was spent for advertising purposes per $100 of expenditure for rent. In 1919, the corresponding amount was $98.01; in 1918, $77.71; and in 1914, $72.37. That is, between 1914 and 1919, expenditures for advertising increased faster than expenditures for rent.

For the three years combined, the amounts spent for advertising in terms of rent expenditures increase from $52.98 for stores with annual sales under $40,000, to $114.35 for stores with annual sales of $180,000 and over. For stores with sales be-

tween these limits, the amounts increase with the size of the stores. This means that the larger the store the more is paid for advertising in proportion to rent. This general principle, although it is more marked for 1918 than for the other years, holds for each of the individual years.

Table 34 also contains data showing

TABLE 34

AMOUNT OF ADVERTISING EXPENSE PER $100 OF SPECIFIED EXPENSES FOR 156 IDENTICAL STORES CLASSIFIED BY SIZE, 1919, 1918, AND 1914

Years	Classified Total Net Sales (in 000's)	Number of Store-years	Amount of Advertising Expense per $100 of Specified Expenses					
			Rent		Wages and Salaries		General Expense	
			Actual	Graphic Dollars 0 20 40 60 80 100 120 140	Actual	Graphic Dollars 0 20 40 60	Actual	Graphic Dollars 0 20 40 60
Total (Average)	Total (Average)	468	$84.04		$16.67		$40.48	
	Under $40	147	52.98		14.19		31.89	
	$40 to $80	159	61.09		14.37		34.61	
	$80 to $180	111	79.61		16.32		41.34	
	$180 & over	41	114.35		18.52		44.61	
1919	Total (Average)	156	90.01		16.69		41.21	
	Under $40	20	61.23		12.53		29.91	
	$40 to $80	57	60.39		13.03		30.60	
	$80 to $180	57	86.79		15.61		40.06	
	$180 & over	22	122.56		18.50		45.59	
1918	Total (Average)	156	77.71		15.35		37.33	
	Under $40	48	51.18		13.21		28.09	
	$40 to $80	62	58.69		13.63		32.86	
	$80 to $180	32	70.64		14.36		34.94	
	$180 & over	14	106.30		17.32		43.55	
1914	Total (Average)	156	72.37		18.75		43.88	
	Under $40	72	52.46		15.25		36.04	
	$40 to $80	50	64.33		16.53		40.74	
	$80 to $180	22	78.14		21.10		55.11	
	$180 & over	5	103.66		22.45		43.22	

the amount of advertising expense per $100 of expenditures for wages and salaries.

In Volume II, it was shown that expenditures for wages and salaries increase with the size of stores. The amounts of advertising expense similarly increase but, as shown in Table 34, the amounts of advertising expense per $100 of expenditures for wages and salaries also increase. This means that the rate of increase is greater for advertising expense than for wages and salaries;

the consequence being that the amounts of advertising expense in units of wages and salaries paid also increase. The average amount of advertising expense per $100 of wages and salaries for the three years is $16.67. For 1919 it was $16.69; for 1918 it was $15.35; and for 1914, $18.75. That is, between 1914 and 1918 the amount decreased, and between 1918 and 1919 it increased.

For the combined years, the amount of advertising expense per $100 of wages and salaries for stores with annual sales under $40,000, is $14.19. For stores with annual sales of $180,000 and over, it is $18.52, and for stores with sales of intermediate amounts, the ratios increase as the sales increase. A similar condition obtains for each of the individual years. The size of the amounts and the tendency for them to decrease or increase, as the case may be, are shown in the graphic part of Table 34.

At various places, in Volume III, it was shown that the amounts of general expense increase with the size of stores. This condition was found to characterize not only a varying number of stores, but also the same stores throughout the various years covered in this report. As noted above in this volume, the amounts of advertising expense also increase with the size of the stores. The amounts of advertising expense, however, increase more rapidly than do those of general expense; the consequence being that, when advertising expense is expressed in terms of general expense, an increase occurs for stores of increasing size. This condition obtains not only for the combined, but also for the individual years.

The average amount of advertising expense per $100 of general expense for the combined years is $40.48. In 1919 it was $41.21; in 1918 it was $37.33; and in 1914, $43.88. That is, between 1914 and 1918 the amounts decreased, and between 1918 and 1919 they increased. The direction of change from year to year for advertising expense in terms of general expense is the same as that for advertising expense in terms of wages and salaries.

For the combined years, the average amount of advertising expense in terms of general expense for stores with annual sales under $40,000 is $31.89. For those with annual sales of $180,000 and over, it is $44.61; for stores with sales of intermediate amounts, the ratios between the two items increase with increasing sales. Similar comparisons obtain for the individual years. These the reader may make for himself by consulting the graphic part of Table 34.

IV. YEARLY EXPENDITURES FOR SPECIFIED TYPES OF ADVERTISING IN RETAIL CLOTHING STORES, 1919, 1918, AND 1914

ON the basis of the detailed expense data supplied to the Bureau by clothing stores, it is possible to analyze the amounts spent for certain specified methods of advertising. The nature of the treatment of expenditures for these methods is the same as that which is used in discussing the total amount of advertising expense. The order in which the methods are discussed is determined by the size of the amounts expended in terms of total advertising expense. Before discussing the individual methods, however, it is worth while briefly to summarize by the use of two small tables, first, the prevalence amongst clothing stores of the use of certain specified methods; and second, the number of different methods of advertising used by stores of different size. The data refer to the years 1919, 1918, and 1914, combined, rather than to the individual years.

1.—FREQUENCY OF USE OF DIFFERENT METHODS OF ADVERTISING, AND THE NUMBER OF METHODS USED IN STORES OF CLASSIFIED SIZE, 1919, 1918, AND 1914, COMBINED.

For the three years in question, the data available for 632 store-years show that newspapers were used as advertising media in 88.9 per cent. of the stores. Style books, catalogs, and calendars were used in 47.2 per cent.; programs and college papers in 44.3 per cent.; mail advertising in

TABLE 35

RELATIVE FREQUENCY OF USE BY RETAIL CLOTHING STORES FOR SPECIFIED METHODS OF ADVERTISING (DATA BASED UPON 632 STORE-YEARS, FOR WHICH DETAILS WERE SUPPLIED, 1919, 1918, AND 1914, COMBINED)

Specified Methods of Advertising	Number and Per Cent. of Stores Using Specified Methods of Advertising		
	Number of Store-years	Per Cent.	Graphic Per Cent. 0 10 20 30 40 50 60 70 80 90 100
Newspaper Advertising	562	88.9	
Style Books, Catalogs, & Calendars	298	47.2	
College Papers & Programs	286	45.3	
Mail Advertising	278	44.0	
Moving Picture Advertising	255	40.3	
Billboards & Electric Signs	250	39.6	

44.0 per cent.; moving picture advertising in 40.3 per cent.; and billboards and electric signs in 39.6 per cent. of the cases. Table 35 contains both the actual number of store-years and the per cent. of the total in which specified methods were used.

Table 36 shows the number of methods of advertising used in stores of different size. The data refer to the years 1919, 1918, and 1914, combined.

For all stores irrespective of size, the most characteristic number of different methods is 4 to 6. For those with annual sales of less than $40,000, the most characteristic number is 1 to 3; for those with annual sales from $40,000 to $80,000, it is 4 to 6; and for those with annual sales in excess of $80,000, it is likewise 4 to 6. An inspection of the table will reveal the fact that small stores use fewer methods of advertising than do large stores. Of those with annual sales of less than $40,000, 48.1 per cent. used fewer than four methods. For the stores with annual sales greater than $40,000, the corresponding percentages are as follows: 37.1 for those with annual sales of $40,000 to $80,000; 31.5 for those with annual sales of $80,000 to $180,000; and 31.7 for those with annual sales of $180,000 and over. It is unnecessary to comment further upon this table, but it is felt that a study of it will prove instructive to those who are interested in advertising.

2.—YEARLY EXPENDITURES FOR NEWSPAPER ADVERTISING PER $100 OF TOTAL NET SALES AND PER $100 OF TOTAL ADVERTISING EXPENSE, 1919, 1918, AND 1914.

The following discussion relates to the amounts of newspaper advertising expense per $100 of total net sales and per $100 of total advertising expense. The order of the discussion is first, to express the amounts in terms of net sales and second, in terms of total advertising expense.

A.—Yearly Expenditures for Newspaper Advertising per $100 of Total Net Sales.

On the basis of the experience of 562 store-years, covering the years 1919, 1918, and 1914, combined, the average amount of newspaper advertising expense per $100 of total net sales is $1.59. In 1919, the amount was $1.55; in 1918, $1.57; and in 1914, $1.81. That is, from year to year, the amounts decreased when expressed in terms of sales, although they increased per store. The average actual amount expended per store for the three years combined is $1,295; in 1919, it was $1,586; in 1918, $1,188; and in 1914, $918.

Based upon the experience for the three years, the stores located in cities with population under 40,000 spent $1.01 for newspaper advertising per $100 of total net sales. For the same period of time, the stores located in cities with population of 40,000 and over spent $2.19. The expenditure for

TABLE 36

NUMBER AND PER CENT. OF STORES, CLASSIFIED BY SIZE, USING SPECIFIED NUMBER OF METHODS OF ADVERTISING, 1919, 1918, AND 1914, COMBINED

Classific Total Net Sales (in 000's)	Number of Methods of Advertising Used	Stores Reporting Specified Number of Methods of Advertising		
		Number of Store-years	Per Cent.	Graphic Per Cent. 0 10 20 30 40 50
Total	Total	598	100.0	
	1 to 3	235	39.3	
	4 to 6	244	40.8	
	7 to 9	104	17.4	
	10 to 12	15	2.5	
Under $40	Total	206	100.0	
	1 to 3	99	48.1	
	4 to 6	83	40.3	
	7 to 9	24	11.6	
	10 to 12	-	-	
$40 to $80	Total	224	100.0	
	1 to 3	83	37.1	
	4 to 6	100	44.6	
	7 to 9	40	17.9	
	10 to 12	1	0.4	
$80 to $180	Total	127	100.0	
	1 to 3	40	31.5	
	4 to 6	46	36.2	
	7 to 9	36	28.4	
	10 to 12	5	3.9	
$180 & over	Total	41	100.0	
	1 to 3	13	31.7	
	4 to 6	15	36.6	
	7 to 9	4	9.8	
	10 to 12	9	21.9	

this last group of stores was slightly more than twice as large as the expenditure for the stores in the small cities.

The total amounts of advertising expense of all kinds per $100 of total net sales, as shown in Tables 5 to 8,* inclusive, increase with the size of the stores. This same principle holds for newspaper advertising expense, the increase being common not only for the combined years, but for each of the years separately. The minimum amount of expenditure for this purpose, for the stores located in cities with population under 40,000, applies to stores with the smallest sales, while the largest amount, for stores in cities of this group, applies to those having the largest sales. The amounts increase from $0.87 as a minimum to $1.14 as a maximum. This represents a difference of $0.27.

The minimum amount for stores located in cities with population of 40,000 and over is $1.52. This applies to the stores with the smallest annual sales. For the other groups of stores, the amounts rapidly increase, reaching a maximum of $2.32 for the stores with annual sales of $180,000 and over. Between the minimum and the

* Pages 291 to 295.

TABLE 37

RELATION OF EXPENDITURES FOR NEWSPAPER ADVERTISING TO TOTAL NET SALES FOR STORES CLASSIFIED BY SIZE AND BY SIZE OF CITY, 1919, 1918, AND 1914, COMBINED

Size of City (in 000's)	Classified Total Net Sales (in 000's)	Stores Reporting Expenditures for Newspaper Advertising: Number of Store-years	Total Net Sales	Newspaper Advertising	Amount per $100 of Total Net Sales	Ratio Which Amount of Newspaper Advertising per $100 of Total Net Sales for Stores of Different Size in Cities of Different Size, is of the Amount for All Stores (Per Cent.)	Per Cent.
						0 40 80 120 160 200 240 280	
Total (Average)	Total (Average)	562	$45,782,822	$727,576	$1.59		100.0
Total (Average)	Under $40	193	5,156,521	47,395	0.92		57.9
	$40 to $80	206	11,675,083	133,727	1.13		71.1
	$80 to $180	123	14,037,122	217,025	1.55		97.5
	$180 & over	40	14,714,096	329,429	2.24		140.9
Under 40	Total (Average)	420	23,202,792	233,551	1.01		63.5
	Under $40	180	4,796,816	41,919	0.87		54.7
	$40 to $80	161	9,092,481	88,011	0.97		61.0
	$80 to $180	74	8,248,180	91,439	1.11		69.8
	$180 & over	5	1,065,315	12,162	1.14		71.7
40 and over	Total (Average)	142	22,580,030	494,045	2.19		137.7
	Under $40	13	359,705	5,476	1.52		95.6
	$40 to $80	45	2,782,602	45,716	1.64		103.1
	$80 to $180	49	5,788,942	125,586	2.17		136.5
	$180 & over	35	13,648,781	317,267	2.32		145.9

Average $1.59

maximum amounts, there is a difference of $0.81. This is three times as large as the difference between the corresponding amounts for the stores in the small cities.

The actual amounts of expenditures for this purpose for stores of different size and location are shown graphically for the three years combined in Table 37.

Table 38 shows the amounts spent for newspaper advertising per $100 of total net sales in 1919. The average for all stores in this year is $1.55. For those in the small cities it is $0.93 and for those in the large cities it is $2.19. The variations in the amounts for 1919 are essentially the same as for the combined years. They are shown in the graphic part of this table.

Table 39 shows the amounts spent for newspaper advertising per $100 of total net sales for the 202 stores reporting for 1918. The average for this year is $1.57, or $0.02 more than the average for the 235 stores for 1919. For the stores in the small cities, the average is $1.00, and for those in the large cities, $2.10. It is interesting to note that the average amount spent by the stores in the large cities is approximately twice as large as was the expenditure for the

TABLE 38

RELATION OF EXPENDITURES FOR NEWSPAPER ADVERTISING TO TOTAL NET SALES FOR STORES CLASSIFIED BY SIZE AND BY SIZE OF CITY, 1919

Size of City (in 000's)	Classified Total Net Sales (in 000's)	Stores Reporting Expenditures for Newspaper Advertising: Number	Total Net Sales	Newspaper Advertising	Amount per $100 of Total Net Sales	Ratio Which Amount of Newspaper Advertising per $100 of Total Net Sales for Stores of Different Size in Cities of Different Size, is of the Amount for All Stores (Per Cent. 0 40 80 120 160 200 240 280)	Per Cent.
Total (Average)	Total (Average)	235	$24,114,524	$372,800	$1.55		100.0
Total (Average)	Under $40	45	1,429,445	10,527	0.74		47.7
	$40 to $80	90	5,246,594	45,319	0.86		55.5
	$80 to $180	73	8,529,002	116,743	1.37		88.4
	$180 & over	24	8,909,483	200,211	2.25		145.2
Under 40	Total (Average)	175	12,352,500	115,362	0.93		60.0
	Under $40	45	1,353,443	9,358	0.69		44.5
	$40 to $80	75	4,492,358	37,600	0.84		54.2
	$80 to $180	45	5,441,384	56,242	1.03		66.5
	$180 & over	5	1,065,315	12,162	1.14		73.5
40 and over	Total (Average)	59	11,762,024	257,438	2.19		141.3
	Under $40	3	76,002	1,169	1.54		99.4
	$40 to $80	12	754,236	7,719	1.02		65.8
	$80 to $180	25	3,087,618	60,501	1.96		126.5
	$180 & over	19	7,844,168	188,049	2.40		154.8

Average $1.55

stores in the small cities. This is true not only for this year, but also for 1919.

Table 40 gives the amounts spent in 1914 for newspaper advertising per $100 of total net sales for 125 stores classified by size and by the size of the cities in which they are located. The average for all the stores is $1.81; for the 96 stores in the small cities, it is $1.28; and for the 29 stores in the large cities, $2.42. The variations in the amounts spent by stores of different size and location are shown in this table both in actual amounts and in graphic form.

The above discussion for each of the three years is based upon a varying number of stores, the stores for each year being those which reported the facts necessary for the comparisons. In the following paragraph the amounts of expense for newspaper advertising in terms of net sales apply to 124 identical stores which furnished data for each of the three years.

Based upon the experience of these stores, the average amount for the three years combined is $1.62. In 1919 it was $1.60; in 1918, $1.53; and in 1914, $1.81. That is, the amount

TABLE 39

RELATION OF EXPENDITURES FOR NEWSPAPER ADVERTISING TO TOTAL NET SALES FOR STORES CLASSIFIED BY SIZE AND BY SIZE OF CITY, 1918

Size of City (in 000's)	Classified Total Net Sales (in 000's)	Stores Reporting Expenditures for Newspaper Advertising: Number	Total Net Sales	Newspaper Advertising	Amount per $100 of Total Net Sales	Ratio Which Amount of Newspaper Advertising per $100 of Total Net Sales for Stores of Different Size in Cities of Different Size, is of the Amount for All Stores (Per Cent.)	Per Cent.
Total (Average)	Total (Average)	202	$15,322,439	$240,058	$1.57		100.0
	Under $40	74	1,983,147	17,797	0.90		57.3
	$40 to $80	76	4,424,860	50,899	1.15		73.2
	$80 to $180	39	4,243,873	71,557	1.69		107.6
	$180 & over	13	4,670,559	99,805	2.14		136.3
Under 40	Total (Average)	148	7,427,077	74,250	1.00		63.7
	Under $40	71	1,895,022	16,841	0.89		56.7
	$40 to $80	55	3,101,070	29,572	0.95		60.5
	$80 to $180	22	2,430,985	27,837	1.15		73.2
	$180 & over	-	-	-	-		-
40 and over	Total (Average)	54	7,895,362	165,808	2.10		133.8
	Under $40	3	88,125	956	1.09		68.8
	$40 to $80	21	1,323,790	21,327	1.61		102.5
	$80 to $180	17	1,812,888	43,720	2.41		153.5.
	$180 & over	13	4,670,559	99,805	2.14		136.3

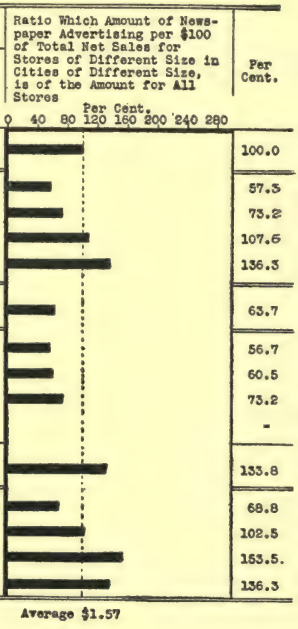


TABLE 40

RELATION OF EXPENDITURES FOR NEWSPAPER ADVERTISING TO TOTAL NET SALES FOR STORES CLASSIFIED BY SIZE AND BY SIZE OF CITY, 1914

Size of City (in 000's)	Classified Total Net Sales (in 000's)	Stores Reporting Expenditures for Newspaper Advertising: Number	Total Net Sales	Newspaper Advertising	Amount per $100 of Total Net Sales	Ratio Which Amount of Newspaper Advertising per $100 of Total Net Sales for Stores of Different Size in Cities of Different Size, is of the Amount for All Stores	Per Cent.
						0 40 80 120 160 200 240 280 Per Cent.	
Total (Average)	Total (Average)	125	$6,345,859	$114,718	$1.81		100.0
Total (Average)	Under $40	71	1,743,929	19,071	1.09		60.2
	$40 to $80	40	2,203,629	37,509	1.70		93.9
	$80 to $180	11	1,264,247	28,725	2.27		125.4
	$180 & over	3	1,134,054	29,413	2.59		143.1
Under 40	Total (Average)	96	3,423,215	43,919	1.28		70.7
	Under $40	54	1,548,351	15,720	1.02		56.4
	$40 to $80	28	1,499,055	20,859	1.39		76.8
	$80 to $180	4	375,811	7,360	1.96		108.3
	$180 & over	-	-	-	-		-
40 and over	Total (Average)	29	2,922,644	70,799	2.42		133.7
	Under $40	7	195,578	3,351	1.71		94.5
	$40 to $80	12	704,576	16,670	2.37		130.9
	$80 to $180	7	888,436	21,365	2.40		132.6
	$180 & over	3	1,134,054	29,413	2.59		143.1

Average $1.81

TABLE 41

RELATION OF EXPENDITURES FOR NEWSPAPER ADVERTISING TO TOTAL NET SALES FOR 124 IDENTICAL STORES, 1919, 1918, AND 1914

Years	Stores Reporting Expenditures for Newspaper Advertising: Total Net Sales	Newspaper Advertising	Amount per $100 of Total Net Sales: Actual	Graphic $0 $1 $2
Total (Average)	$30,254,797	$489,741	$1.62	
1919	13,948,218	222,678	1.60	
1918	9,964,720	152,527	1.53	
1914	6,341,859	114,536	1.81	

Average $1.62

decreased between 1914 and 1918, and increased between 1918 and 1919. The direction of change in expense for newspaper advertising is the same as that for total advertising. Moreover the nature of the change is the same for a varying and for an identical group of stores. The ratios of expense for newspaper advertising to net sales are shown for the combined years and for each year separately in Table 41.

From this discussion, three conclusions may be drawn. First, the amounts of expense for newspaper advertising per $100 of total net sales decreased both for a varying and for an identical group of stores between the years 1914 and 1918, and increased between 1918 and 1919. Second, the average amount of expense for newspaper advertising in terms of net sales is approximately twice as great for stores located in cities with population of 40,000 and over as it is for stores located in cities with population under 40,000. Third, the amounts of expense for this purpose increase with the size of the stores, both in small and in large cities, the rate of increase being somewhat greater for stores in the large than for stores in the small cities.

B.—Yearly Expenditures for Newspaper Advertising per $100 of Total Advertising Expense.

Out of every $100 of total advertising expense, the amount spent for newspaper advertising, when based upon the experience of 562 store-years, covering the years 1919, 1918, and 1914, combined, is $67.24. In 1919 it was $67.28; in 1918, $65.95; and in 1914, $69.95. Between 1914 and 1918 the amounts decreased by 5.7 per cent. and between 1918 and 1919 they increased by 2.0 per cent. These averages and per cents of change apply to a varying number of stores and make no distinction for size and location. When the stores are grouped according to the size of the cities in which they are located, the average amount spent for newspaper advertising in terms of total advertising expense for the stores in small cities was $58.50 for 1919; $59.31 for 1918, and $62.94 for 1914. For these stores the amounts decreased between 1914 and 1918, and between 1918 and 1919. On the other hand, the average amount spent by stores in cities with population of 40,000 and over was $72.14 for 1919, $69.43 for 1918, and $75.15 for 1914. Between 1914 and 1919 the amounts decreased, and between 1918 and 1919 they increased. Relatively, the amounts spent for this purpose per $100 of total advertising expense is higher for the stores in cities with population of 40,000 and over than it is for the stores in smaller cities. The per cent. of difference for the combined years is 20.2; for 1919, 23.3; for 1918, 17.0; and for 1914, 19.4.

When the stores in each of the different city-groups are classified by size, there seems to be no unmistakable tendency for the amounts either

to increase or to decrease when they are measured in terms of total advertising expense. Generally speaking, however, they seem to decrease with the increased size of stores for stores located in small cities, and to increase with the increased size of stores for those located in cities with population of 40,000 and over. When the stores are classified by size alone, the amounts spent for this purpose increase with stores of increasing size.

Table 42 shows the amount of expense for newspaper advertising per $100 of total advertising expense for the years 1919, 1918, and 1914, combined. The lengths of the bars indicate the variations for stores of different size and location.

Table 43 is similar to Table 42, but applies to the year 1919. For this year the average amount of expense for newspaper advertising in terms of total advertising was $67.28. For the stores in the small cities, the average is $58.50, and for those in the large cities, $72.14. In this year, as well as in the combined years, the amounts were larger for the stores in the large cities than for those in the small cities. This is true not only of the total in the two groups of cities,

TABLE 42

RELATION OF EXPENDITURES FOR NEWSPAPER ADVERTISING TO TOTAL ADVERTISING FOR STORES CLASSIFIED BY SIZE AND BY SIZE OF CITY, 1919, 1918, AND 1914, COMBINED

Size of City (in 000's)	Classified Total Net Sales (in 000's)	Stores Reporting Expenditures for Newspaper Advertising: Number of Store-years	Total Advertising	Newspaper Advertising	Amount per $100 of Total Advertising	Ratio Which Amount of Newspaper Advertising per $100 of Total Advertising for Stores of Different Size in Cities of Different Size, is of the Amount for All Stores (Per Cent. 0 40 80 120 160 200 240 280)	Per Cent.
Total (Average)	Total (Average)	562	$1,082,042	$727,576	$67.24		100.0
	Under $40	193	79,517	47,395	59.60		88.6
	$40 to $80	206	205,001	133,727	65.23		97.0
	$80 to $160	123	341,257	217,025	63.60		94.6
	$160 & over	40	456,267	329,429	72.20		107.4
Under 40	Total (Average)	420	392,170	233,531	59.55		88.6
	Under $40	180	70,853	41,919	59.16		88.0
	$40 to $80	151	141,100	88,011	62.37		92.8
	$80 to $160	74	157,680	91,439	57.99		86.2
	$160 & over	5	22,537	12,162	53.96		80.2
40 and over	Total (Average)	142	689,872	494,045	71.61		106.5
	Under $40	13	8,664	5,476	63.20		94.0
	$40 to $80	45	63,901	45,716	71.54		106.4
	$80 to $160	49	183,577	125,506	68.41		101.7
	$160 & over	35	433,730	317,267	73.15		108.8

Average $67.24

but also holds for stores of similar size, differently located. The degrees of change from store-group to store-group and for the two city-groups are shown graphically by the lengths of the bars in Table 43.

Table 44 contains data showing the amounts of expenditures for newspaper advertising per $100 of total advertising expense for 202 stores for the year 1918. The average amount for all stores for this year was $65.95. For the stores in the smaller cities it was $59.31 and for those in the larger it was $69.43. That is, between the two groups of cities there is a difference of approximately $10.00. In this year for those groups of stores for which data are available, the amounts spent by stores of different size in the small cities decrease as the stores increase in size. For the stores in the larger cities, over the whole range of sizes the amounts increase for stores of increasing size.

Table 45 contains data similar to those in Tables 42, 43, and 44, but refers to the year 1914. On the basis of 125 stores, the average expense for newspaper advertising was $69.95 out of every $100 spent for advertising purposes. For stores in the small

TABLE 43

RELATION OF EXPENDITURES FOR NEWSPAPER ADVERTISING TO TOTAL ADVERTISING FOR STORES CLASSIFIED BY SIZE AND BY SIZE OF CITY, 1919

Size of City (in 000's)	Classified Total Net Sales (in 000's)	Stores Reporting Expenditures for Newspaper Advertising				Ratio Which Amount of Newspaper Advertising per $100 of Total Advertising for Stores of Different Size in Cities of Different Size, is of the Amount for All Stores	Per Cent.
		Number	Total Advertising	Newspaper Advertising	Amount per $100 of Total Advertising	0 40 80 120 160 200 240 280 Per Cent.	
Total (Average)	Total (Average)	235	$554,063	$372,800	$67.28		100.0
Total (Average)	Under $40	48	17,826	10,527	59.05		87.8
	$40 to $80	90	74,058	45,319	61.19		90.9
	$80 to $180	73	187,633	116,743	62.22		92.5
	$180 & over	24	274,546	200,211	72.92		108.4
Under 40	Total (Average)	176	197,208	115,362	58.50		86.9
	Under $40	45	16,143	9,358	57.97		86.2
	$40 to $80	78	61,895	37,600	60.75		90.3
	$80 to $180	48	96,633	56,242	58.20		86.5
	$180 & over	5	22,537	12,162	53.96		80.2
40 and over	Total (Average)	59	356,855	257,438	72.14		107.2
	Under $40	3	1,683	1,169	69.46		103.2
	$40 to $80	12	12,163	7,719	63.46		94.3
	$80 to $180	25	91,000	60,501	66.48		98.8
	$180 & over	19	252,009	188,049	74.62		110.9

Average $67.28

cities, the proportion was $62.94 and for those in the large cities, $75.15. A comparison of the graphic parts of this table with the corresponding parts of the tables for 1918 and 1919, and for the combined years, reveals the differences by years as well as by size of store and size of city.

The data in Tables 42 to 45, inclusive, cover a varying number of stores for the three years.

Table 46 gives the amount of expense for newspaper advertising per $100 of total advertising expense for the same 124 stores for the years 1919, 1918, and 1914. For these stores the average for the three years is $70.61. For 1919 it was $71.90; for 1918 it was $69.25; and for 1914 $70.01. That is, when the expense for newspaper advertising is expressed in terms of total advertising expense for identical stores, the change in the amounts from year to year follows that for a varying number of stores. This fact is contributory evidence that the larger and varying group of stores accurately characterizes, from year to year, the changes in the amounts of newspaper advertising expense expressed in this manner.

TABLE 44

RELATION OF EXPENDITURES FOR NEWSPAPER ADVERTISING TO TOTAL ADVERTISING FOR STORES CLASSIFIED BY SIZE AND BY SIZE OF CITY, 1918

Size of City (in 000's)	Classified Total Net Sales (in 000's)	Stores Reporting Expenditures for Newspaper Advertising: Number	Total Advertising	Newspaper Advertising	Amount per $100 of Total Advertising	Ratio Which Amount of Newspaper Advertising per $100 of Total Advertising for Stores of Different Size in Cities of Different Size, is of the Amount for All Stores (Per Cent. 0 40 80 120 160 200 240 280)	Per Cent.
Total (Average)	Total (Average)	202	$363,969	$240,058	$65.95		100.0
Total (Average)	Under $40	74	28,533	17,797	62.37		94.6
	$40 to $80	76	77,538	50,899	65.64		99.5
	$80 to $180	39	114,249	71,557	62.63		95.0
	$180 & over	13	143,669	99,805	69.47		105.3
Under 40	Total (Average)	148	125,185	74,250	59.31		89.9
	Under $40	71	27,072	16,841	62.21		94.3
	$40 to $80	55	47,947	29,572	61.68		93.5
	$80 to $180	22	50,166	27,837	55.49		84.1
	$180 & over	-	-	-	-		-
40 and over	Total (Average)	54	238,804	165,808	69.43		105.3
	Under $40	3	1,461	956	65.43		99.2
	$40 to $80	21	29,591	21,327	72.07		109.3
	$80 to $180	17	64,083	43,720	68.22		103.4
	$180 & over	13	143,669	99,805	69.47		105.3

Average $65.95

TABLE 45

RELATION OF EXPENDITURES FOR NEWSPAPER ADVERTISING TO TOTAL ADVERTISING FOR STORES CLASSIFIED BY SIZE AND BY SIZE OF CITY, 1914

Size of City (in 000's)	Classified Total Net Sales (in 000's)	Stores Reporting Expenditures for Newspaper Advertising: Number	Total Advertising	Newspaper Advertising	Amount per $100 of Total Advertising	Ratio Which Amount of Newspaper Advertising per $100 of Total Advertising for Stores of Different Size in Cities of Different Size, is of the Amount for All Stores	Per Cent.
Total (Average)	Total (Average)	125	$163,990	$114,718	$69.95		100.0
	Under $40	71	33,158	19,071	57.52		82.2
	$40 to $80	40	53,405	37,509	70.23		100.4
	$80 to $180	11	39,375	28,725	72.95		104.3
	$180 & over	3	38,052	29,413	77.30		110.5
Under 40	Total (Average)	96	69,777	43,919	62.94		90.0
	Under $40	64	27,638	15,720	56.88		81.3
	$40 to $80	28	31,258	20,839	66.67		95.3
	$80 to $180	4	10,881	7,360	67.64		96.7
	$180 & over	-	-	-	-		-
40 and over	Total (Average)	29	94,213	70,799	75.15		107.4
	Under $40	7	5,520	3,351	60.71		86.3
	$40 to $80	12	22,147	16,670	75.27		107.6
	$80 to $180	7	28,494	21,365	74.98		107.2
	$180 & over	3	38,052	29,413	77.30		110.5

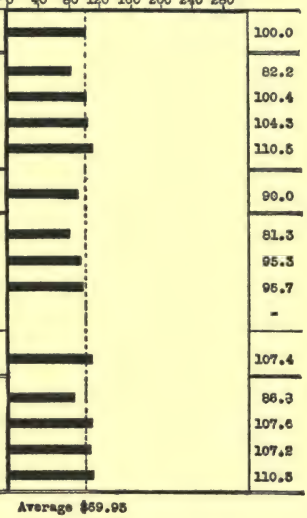
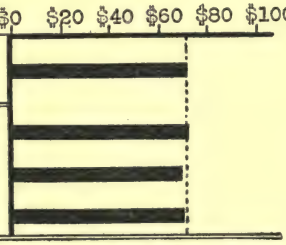


TABLE 46

RELATION OF EXPENDITURES FOR NEWSPAPER ADVERTISING TO TOTAL ADVERTISING FOR 124 IDENTICAL STORES, 1919, 1918, AND 1914

Years	Stores Reporting Expenditures for Newspaper Advertising: Total Advertising	Newspaper Advertising	Amount per $100 of Total Advertising: Actual	Graphic
Total (Average)	$693,555	$489,741	$70.61	
1919	309,689	222,678	71.90	
1918	220,260	152,527	69.25	
1914	163,606	114,536	70.01	



From Tables 42 to 46, inclusive, three conclusions seem to follow. First, the amounts of expense for newspaper advertising in terms of total advertising expense for a varying number of stores and for identical stores decreased between 1914 and 1918, and increased between 1918 and 1919. Second, the amounts spent for this purpose per $100 of total advertising are higher for stores in large cities than for stores in small cities. Third, the amounts spent for newspaper advertising per $100 of total advertising expense decrease with the increased size of stores in small cities and increase with the increased size of stores in large cities.

3.—YEARLY EXPENDITURES FOR ADVERTISING BY MEANS OF BILLBOARDS AND ELECTRIC SIGNS PER $100 OF TOTAL NET SALES AND PER $100 OF TOTAL ADVERTISING EXPENSE, 1919, 1918, AND 1914.

Expense for newspaper advertising is greater in terms both of net sales and of total advertising expense than for any other single item of expense for advertising. The next largest item is for billboards and electric signs. This expense includes rent of billboards, cost of posting, rent of posters, and cost of current for electric signs. In the following discussion, the amounts of expenditure for

TABLE 47

RELATION OF EXPENDITURES FOR ADVERTISING BY MEANS OF BILLBOARDS AND ELECTRIC SIGNS TO TOTAL NET SALES FOR STORES CLASSIFIED BY SIZE AND BY SIZE OF CITY, 1919, 1918, AND 1914, COMBINED

Size of City (in 000's)	Classified Total Net Sales (in 000's)	Stores Reporting Expenditures for Advertising by Means of Billboards and Electric Signs				Ratio which Amount of Advertising by Means of Billboards and Electric Signs per $100 of Total Net Sales for Stores of Different Size, is of the Amount for All Stores	Per Cent.
		Number of Store-years	Total Net Sales	Billboards and Electric Signs	Amount per $100 of Total Net Sales	Per Cent. 0 40 80 120 160 200 240 280 320	
Total (Average)	Total (Average)	250	$25,211,219	$56,847	$0.23		100.0
	Under $40	60	1,650,860	3,499	0.21		91.3
	$40 to $80	94	5,449,112	10,588	0.19		82.6
	$80 to $120	73	8,711,151	22,292	0.26		113.0
	$120 & over	23	9,400,096	20,468	0.22		95.7
Under 40	Total (Average)	155	12,285,904	20,984	0.17		73.9
	Under $40	58	1,591,841	3,367	0.21		91.3
	$40 to $80	77	4,396,359	7,561	0.17		73.9
	$80 to $120	46	5,435,717	9,233	0.17		73.9
	$120 & over	4	861,987	823	0.10		43.5
40 and over	Total (Average)	65	12,925,315	35,863	0.28		121.7
	Under $40	2	59,019	132	0.22		95.7
	$40 to $80	17	1,052,753	3,027	0.29		126.1
	$80 to $120	27	3,275,434	13,059	0.40		173.9
	$120 & over	19	8,538,109	19,645	0.23		100.0

Average $0.23

these purposes are expressed in terms of net sales and in terms of advertising expense.

A.—Yearly Expenditures for Advertising by Means of Billboards and Electric Signs per $100 of Total Net Sales.

On the average, for the years 1919, 1918, and 1914, combined, $0.23 was spent for advertising by means of billboards and electric signs per $100 of total net sales. This average is based upon an experience of 250 store-years. In 1919 the amount was $0.21; in 1918, $0.24; and in 1914, $0.24. For the combined years, the stores located in small cities spent for this purpose $0.17 per $100 of total net sales, while the stores located in cities with population of 40,000 and over spent $0.28. Similar differences obtain for each of the years 1919, 1918, and 1914 separately, and it is unnecessary to indicate them in detail. The tables immediately following, bearing upon this point, are sufficiently explicit and graphic in bringing out the similarities and differences. The reader may readily compare for himself the amounts spent by stores classified according to

TABLE 48

RELATION OF EXPENDITURES FOR ADVERTISING BY MEANS OF BILLBOARDS AND ELECTRIC SIGNS TO TOTAL NET SALES FOR STORES CLASSIFIED BY SIZE AND BY SIZE OF CITY, 1919

Size of City (in 000's)	Classified Total Net Sales (in 000's)	Stores Reporting Expenditures for Advertising by Means of Billboards and Electric Signs: Number	Total Net Sales	Billboards and Electric Signs	Amount per $100 of Total Net Sales	Ratio Which Amount of Advertising by Means of Billboards and Electric Signs per $100 of Total Net Sales for Stores of Different Size, is of the Amount for All Stores (Per Cent.)	Per Cent.
Total (Average)	Total (Average)	112	$13,764,842	$29,270	$0.21		100.0
Total (Average)	Under $40	14	400,814	573	0.14		66.7
	$40 to $80	43	2,494,771	4,507	0.18		85.7
	$80 to $180	41	5,041,570	13,296	0.26		123.8
	$180 & over	14	5,827,687	10,894	0.19		90.5
Under 40	Total (Average)	85	6,846,350	11,316	0.17		81.0
	Under $40	14	400,814	573	0.14		66.7
	$40 to $80	40	2,305,973	4,237	0.18		85.7
	$80 to $180	27	3,277,576	5,683	0.17		81.0
	$180 & over	4	861,987	823	0.10		47.6
40 and over	Total (Average)	27	6,918,492	17,954	0.26		123.8
	Under $40	-	-	-	-		-
	$40 to $80	3	188,798	270	0.14		66.7
	$80 to $180	14	1,763,994	7,613	0.43		204.8
	$180 & over	10	4,965,700	10,071	0.20		95.2

size and location. In a general way, however, these tables seem to point to the following conclusions: First, from 1914 to 1919, the amounts spent for this purpose in terms of net sales decreased. Second, the amounts spent in terms of total net sales by stores in small cities are less than the amounts spent by stores in large cities. This generalization holds not only for the individual years but for the combined years as well. Third, on the whole, the amounts seem to decrease with the increased size of stores located in the small cities, while the reverse tendency obtains for stores located in large cities. There are exceptions to this principle for various groups of stores in the different years. In this respect, it is safer to compare the amounts for individual groups of stores than it is to formulate a general principle which seems to govern the expense distribution for this purpose.

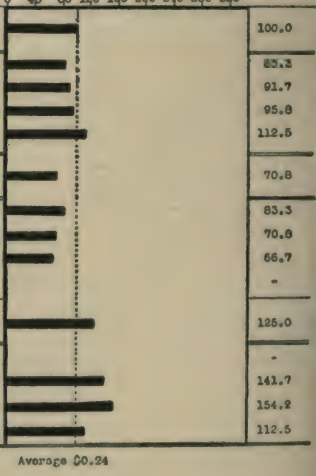
B.—Yearly Expenditures for Advertising by Means of Billboards and Electric Signs per $100 of Total Advertising Expense.

For the combined years 1919, 1918, and 1914, the data for total advertising expense and expense for advertising by means of billboards and

TABLE 49

RELATION OF EXPENDITURES FOR ADVERTISING BY MEANS OF BILLBOARDS AND ELECTRIC SIGNS TO TOTAL NET SALES FOR STORES CLASSIFIED BY SIZE AND BY SIZE OF CITY, 1918

Size of City (in 000's)	Classified Total Net Sales (in 000's)	Stores Reporting Expenditures for Advertising by Means of Billboards and Electric Signs: Number	Total Net Sales	Billboards and Electric Signs	Amount per $100 of Total Net Sales	Ratio Which Amount of Advertising by Means of Billboards and Electric Signs per $100 of Total Net Sales for Stores of Different Size, is of the Amount for All Stores (Per Cent.)	Per Cent.
Total (Average)	Total (Average)	91	$8,954,618	$21,572	$0.24		100.0
Total (Average)	Under $40	22	617,695	1,214	0.20		83.3
	$40 to $80	34	1,984,567	4,439	0.22		91.7
	$80 to $180	27	2,974,896	6,831	0.23		95.8
	$180 & over	8	3,377,458	9,088	0.27		112.5
Under 40	Total (Average)	63	3,939,120	6,655	0.17		70.8
	Under $40	22	617,695	1,214	0.20		83.3
	$40 to $80	24	1,365,254	2,341	0.17		70.8
	$80 to $180	17	1,956,171	3,100	0.16		66.7
	$180 & over	-	-	-	-		-
40 and over	Total (Average)	28	5,015,496	14,917	0.30		125.0
	Under $40	-		-			-
	$40 to $80	10	619,313	2,098	0.34		141.7
	$80 to $180	10	1,018,725	3,731	0.37		154.2
	$180 & over	8	3,377,458	9,088	0.27		112.5



electric signs cover 250 store-years. On the basis of this experience, the average amount spent for this purpose in terms of total advertising expense is \$8.44. In 1919 the amount was \$8.09; in 1918, \$8.89; and in 1914, \$8.73. Over the whole period the average amount increased between 1914 and 1918, and decreased between 1918 and 1919. This does not mean, of course, that the total amount spent per store for advertising as well as the amount spent for advertising by this method changed in this way. It is the relationship between them which changed in the manner indicated. Relatively, between 1914 and 1918, the average amounts spent for advertising by billboards and electric signs increased faster than total advertising expenses, while between 1918 and 1919, they increased less rapidly.

For the combined years, while the average is \$8.44 for all stores, the corresponding average for the stores in the small cities is \$8.62 and for the stores in the large cities, \$8.35. This difference in the stores in the two groups of cities is interesting in view of the relations, shown in Table 47, which the amounts spent for advertising by means of billboards and electric signs bear to \$100 of total net

TABLE 50

RELATION OF EXPENDITURES FOR ADVERTISING BY MEANS OF BILLBOARDS AND ELECTRIC SIGNS TO TOTAL NET SALES FOR STORES CLASSIFIED BY SIZE AND BY SIZE OF CITY, 1914

Size of City (in 000's)	Classified Total Net Sales (in 000's)	Stores Reporting Expenditures for Advertising by Means of Billboards and Electric Signs: Number	Total Net Sales	Billboards and Electric Signs	Amount per $100 of Total Net Sales	Ratio Which Amount of Advertising by Means of Billboards and Electric Signs per $100 of Total Net Sales for Stores of Different Size, is of the Amount for All Stores (Per Cent.)	Per Cent.
						0 40 80 120 160 200 240 280 320 360	
Total (Average)	Total (Average)	47	$2,491,761	$6,005	$0.24		100.0
	Under $40	24	632,351	1,712	0.27		112.5
	$40 to $80	17	969,774	1,642	0.17		70.8
	$80 to $180	5	694,685	2,165	0.31		129.2
	$180 & over	1	194,951	486	0.25		104.2
Under 40	Total (Average)	37	1,500,434	3,013	0.20		83.3
	Under $40	28	573,332	1,580	0.28		116.7
	$40 to $80	13	725,132	983	0.14		58.3
	$80 to $180	2	201,970	450	0.22		91.7
	$180 & over	-	-	-	-		-
40 and over	Total (Average)	10	991,327	2,992	0.30		125.0
	Under $40	2	59,019	132	0.22		91.7
	$40 to $80	4	244,642	659	0.27		112.5
	$80 to $180	3	492,715	1,715	0.35		145.8
	$180 & over	1	194,951	486	0.25		104.2

Average $0.24

sales for the same stores. In terms of net sales, the amounts spent by stores in the large cities are clearly in excess of the amounts spent by stores in small cities. On the other hand, the reverse condition holds when the amounts are expressed in terms of total advertising expense. This condition for the combined years holds for 1919, but the reverse tendency obtains for 1918 and 1914. Too much importance, however, ought not to be attached to this generalization for the stores in the two groups of cities, in view of the fact that it does not hold for each of the years individually and because it is based upon comparatively few stores in cities with population of 40,000 and over.

On the basis of the experience for the combined years, the amounts spent for advertising by means of billboards and electric signs per $100 of total advertising expense decrease as the size of the stores increases. There are exceptions to this general rule, from store-group to store-group, but on the whole, it holds. How great the changes are from store-group to store-group and from city-group to city-group is indicated in actual amounts and in graphic form in Table 51.

Table 52 shows the amounts of expense for advertising by means of

TABLE 51

RELATION OF EXPENDITURES FOR ADVERTISING BY MEANS OF BILLBOARDS AND ELECTRIC SIGNS TO TOTAL ADVERTISING FOR STORES CLASSIFIED BY SIZE AND BY SIZE OF CITY, 1919, 1918, AND 1914, COMBINED

Size of City (in 000's)	Classified Total Net Sales (in 000's)	Stores Reporting Expenditures for Advertising by Means of Billboards and Electric Signs: Number of Store-years	Total Advertising	Billboards and Electric Signs	Amount per $100 of Total Advertising	Ratio Which Amount of Advertising by Means of Billboards and Electric Signs per $100 of Total Advertising for Stores of Different Size, is of the Amount for All Stores: Per Cent.	Per Cent.
						0 40 80 120 160 200 240 280 320	
Total (Average)	Total (Average)	250	$573,237	$56,847	$9.44		100.0
	Under $40	50	30,046	3,499	11.65		123.0
	$40 to $80	94	113,796	10,588	9.30		110.2
	$80 to $180	73	220,313	22,292	10.12		119.9
	$180 & over	23	309,082	20,468	6.62		78.4
Under 40	Total (Average)	125	243,515	20,984	8.62		102.1
	Under $40	58	27,906	3,367	12.07		143.0
	$40 to $80	77	82,619	7,561	9.15		108.4
	$80 to $180	46	112,853	9,233	8.18		96.9
	$180 & over	4	20,137	823	4.09		48.5
40 and over	Total (Average)	65	429,722	35,863	8.35		98.9
	Under $40	2	2,140	132	6.17		73.1
	$40 to $80	17	31,177	3,027	9.71		115.0
	$80 to $180	27	107,460	13,059	12.15		144.0
	$180 & over	19	288,945	19,645	6.80		80.6

Average $9.44

billboards and electric signs per $100 of total advertising expense for 112 stores for the year 1919. The average amount for these stores was $8.09. The amount for stores in small cities was $8.56 and the amount for stores in large cities was $7.82. In this year, as well as in the combined years, stores in small cities spent for advertising by this means proportionately more, on the average, than stores in large cities. Moreover, small stores, generally speaking, spend relatively more expressed in this manner than do large stores. A comparison of Tables 51 and 52 will reflect the averages which obtain for 1919 and the combined years for stores classified both by size and by the size of the cities in which they are located.

TABLE 52

RELATION OF EXPENDITURES FOR ADVERTISING BY MEANS OF BILLBOARDS AND ELECTRIC SIGNS TO TOTAL ADVERTISING FOR STORES CLASSIFIED BY SIZE AND BY SIZE OF CITY, 1919

Size of City (in 000's)	Classified Total Net Sales (in 000's)	Stores Reporting Expenditures for Advertising by Means of Billboards and Electric Signs: Number	Total Advertising	Billboards and Electric Signs	Amount per $100 of Total Advertising	Ratio Which Amount of Advertising by Means of Billboards and Electric Signs per $100 of Total Advertising for Stores of Different Size, is of the Amount for All Stores	Per Cent.
						Per Cent. 0 40 80 120 160 200 240 280 320	
Total (Average)	Total (Average)	112	$361,806	$29,270	$8.09		100.0
Total (Average)	Under $40	14	4,047	573	14.16		175.0
	$40 to $80	43	43,521	4,507	10.36		128.1
	$80 to $180	41	123,552	13,296	10.76		133.0
	$180 & over	14	190,686	10,894	5.71		70.6
Under 40	Total (Average)	85	132,199	11,316	8.56		105.8
	Under $40	14	4,047	573	14.16		175.0
	$40 to $80	40	39,704	4,237	10.67		131.9
	$80 to $180	27	68,311	5,683	8.32		102.8
	$180 & over	4	20,137	823	4.09		50.6
40 and over	Total (Average)	27	229,607	17,954	7.82		96.7
	Under $40	-	-	-	-		-
	$40 to $80	3	3,817	276	7.07		87.4
	$80 to $180	14	55,241	7,615	13.78		170.3
	$180 & over	10	170,549	10,071	5.91		73.1

Average $8.09

Tables 53 and 54 are similar to Table 52, but contain data for 1918 and 1914, respectively. In these years the number of stores reporting their expense for advertising by means of billboards and electric signs is somewhat smaller than for 1919 and less significance should be attached to the averages which are shown for each of the groups of

stores. They are less satisfactory for 1918 and for 1914 than for 1919 and the combined years.

The details in Tables 51 to 54, inclusive, seem to point to the following conclusions. First, the amounts spent for advertising by means of billboards, electric signs, etc., per $100 of total advertising expense increased between 1914 and 1918, and decreased between 1918 and 1919. Second, the average expenditure for these purposes in terms of total advertising expense is not appreciably different for stores in small cities from that of stores in large cities. Third, the amounts spent in these ways generally decrease as the stores increase in size.

4.—YEARLY EXPENDITURES FOR MAIL ADVERTISING PER $100 OF TOTAL NET SALES AND PER $100 OF TOTAL ADVERTISING EXPENSE, 1919, 1918, AND 1914.

Expenditures for mail advertising include the cost of stamps, printing and stationery. They do not include

TABLE 53

RELATION OF EXPENDITURES FOR ADVERTISING BY MEANS OF BILLBOARDS AND ELECTRIC SIGNS TO TOTAL ADVERTISING FOR STORES CLASSIFIED BY SIZE AND BY SIZE OF CITY, 1918

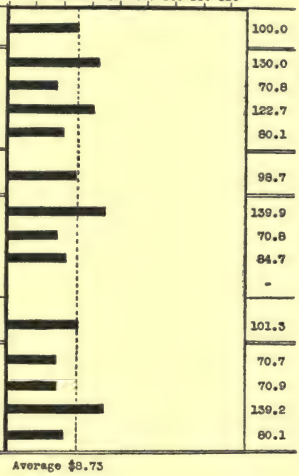
Size of City (in 000's)	Classified Total Net Sales (in 000's)	Stores Reporting Expenditures for Advertising by Means of Billboards and Electric Signs: Number	Total Advertising	Billboards and Electric Signs	Amount per $100 of Total Advertising	Ratio Which Amount of Advertising by Means of Billboards and Electric Signs per $100 of Total Advertising for Stores of Different Size, is of the Amount for All Stores (Per Cent. 0 40 80 120 160 200 240 280 320)	Per Cent.
	Total (Average)	91	$242,637	$21,572	$8.89		100.0
Total (Average)	Under $40	22	10,915	1,214	11.12		125.1
	$40 to $80	34	43,722	4,439	10.15		114.2
	$80 to $160	27	76,554	6,831	8.92		100.3
	$160 & over	8	111,446	9,088	8.15		91.7
	Total (Average)	63	76,381	6,655	8.71		98.0
Under 40	Under $40	22	10,915	1,214	11.12		125.1
	$40 to $80	24	27,012	2,341	8.67		97.5
	$80 to $160	17	38,454	3,100	8.06		90.7
	$160 & over	-	-	-	-		-
	Total (Average)	28	166,256	14,917	8.97		100.9
40 and over	Under $40	-	-	-	-		-
	$40 to $80	10	16,710	2,098	12.56		141.3
	$80 to $160	10	38,100	3,731	9.79		110.1
	$160 & over	8	111,446	9,088	8.15		91.7

Average $8.89

TABLE 54

RELATION OF EXPENDITURES FOR ADVERTISING BY MEANS OF BILLBOARDS AND ELECTRIC SIGNS TO TOTAL ADVERTISING FOR STORES CLASSIFIED BY SIZE AND BY SIZE OF CITY, 1914

Size of City (in 000's)	Classified Total Net Sales (in 000's)	Stores Reporting Expenditures for Advertising by Means of Billboards and Electric Signs: Number	Total Advertising	Billboards and Electric Signs	Amount per $100 of Total Advertising	Ratio Which Amount of Advertising by Means of Billboards and Electric Signs per $100 of Total Advertising for Stores of Different Size, is of the Amount for All Stores (Per Cent.)	Per Cent.
Total (Average)	Total (Average)	47	$68,794	$6,005	$8.73		100.0
Total (Average)	Under $40	24	15,084	1,712	11.35		130.0
	$40 to $80	17	26,553	1,642	6.18		70.8
	$80 to $180	5	20,207	2,165	10.71		122.7
	$180 & over	1	6,950	486	6.99		80.1
Under 40	Total (Average)	37	34,935	3,013	8.62		98.7
	Under $40	22	12,944	1,580	12.21		139.9
	$40 to $80	13	15,903	983	6.18		70.8
	$80 to $180	2	6,088	450	7.39		84.7
	$180 & over	-	-	-	-		-
40 and over	Total (Average)	10	33,859	2,992	8.84		101.3
	Under $40	2	2,140	132	6.17		70.7
	$40 to $80	4	10,650	659	6.19		70.9
	$80 to $180	3	14,119	1,715	12.15		139.2
	$180 & over	1	6,950	486	6.99		80.1



expenditures for style books, catalogs, and calendars. These are treated separately in a following section of this report.

A.—Yearly Expenditures for Mail Advertising per $100 of Total Net Sales.

The average expenditure for mail advertising per $100 of total net sales is $0.18 for the years 1919, 1918, and 1914, combined. This represents the experience of 278 store-years. In 1919, the amount was $0.16; in 1918, $0.20; and in 1914, $0.22. These averages show a decrease from 1914 to 1918, and also from 1918 to 1919. However, the actual amounts spent per store increased from $123 in 1914 to $159 in 1918, and to $170 in 1919.

There is nothing conclusive in the data, showing the amounts spent for mail advertising in terms of total net sales, to indicate that they are higher for stores in small than for stores in large cities. It is true that the average for the stores in the small cities exceeds that for the stores in the large cities, but averages, in these cases, can hardly be said to be characteris-

tic of the conditions which make them up. They are too much affected by the weight of the particular samples used. A fairer comparison would follow from a consideration of the same sized stores in the different city-groups. It is interesting to note, however, that approximately $0.20 on the average—when extreme instances are eliminated—seems to represent the amounts spent for this purpose, during the years 1919, 1918, and 1914. This is significant in itself.

Generally speaking, the amounts spent for this purpose, in terms of sales, decrease as the stores increase in size. There are clear exceptions to this rule, when the stores are classified both by size and location, but when they are classified alone by size and averaged for the three years, the amounts decrease.

The average amount of expenditure for mail advertising in terms of total net sales for 1919 is $0.16—an amount slightly less than that for the combined period. When stores are grouped by size, those having sales under $40,000 spend 50 per cent. more than the average, and, generally

TABLE 55

RELATION OF EXPENDITURES FOR MAIL ADVERTISING TO TOTAL NET SALES FOR STORES CLASSIFIED BY SIZE AND BY SIZE OF CITY, 1919, 1918, AND 1914, COMBINED

Size of City (in 000's)	Classified Total Net Sales (in 000's)	Stores Reporting Expenditures for Mail Advertising				Ratio Which Amount of Mail Advertising per $100 of Total Net Sales for Stores of Different Size in Cities of Different Size, is of the Amount for All Stores	Per Cent.
		Number of Store-years	Total Net Sales	Mail Advertising	Amount per $100 of Total Net Sales		
						0 40 80 120 160 200 240 280 320 Per Cent.	
Total (Average)	Total (Average)	278	$23,921,546	$43,488	$0.18		100.0
	Under $40	97	2,692,151	6,740	0.25		138.9
	$40 to $80	102	5,819,422	10,759	0.18		100.0
	$80 to $180	59	6,758,734	13,432	0.20		111.1
	$180 & over	20	8,651,239	12,557	0.15		83.3
Under 40	Total (Average)	221	12,180,736	24,208	0.20		111.1
	Under $40	94	2,597,869	6,548	0.25		138.9
	$40 to $80	87	4,873,381	8,993	0.18		100.0
	$80 to $180	37	4,065,868	8,113	0.20		111.1
	$180 & over	3	643,620	549	0.10		55.6
40 and over	Total (Average)	57	11,740,808	19,280	0.16		88.9
	Under $40	3	94,282	192	0.20		111.1
	$40 to $80	15	946,041	1,861	0.20		111.1
	$80 to $180	22	2,692,866	5,319	0.20		111.1
	$180 & over	17	8,007,619	11,908	0.15		83.3

Average $0.18

speaking, the amounts decrease as the stores increase in size.

The amounts for the stores in different sized cities, when averaged, essentially agree. When the stores are classified by size, there are some differences, but too great significance cannot be attached to the averages for individual sales-groups because of the relatively few stores reporting in cities of the larger size. The data are shown in detail for the purpose of making it easy for merchants to compare their own experience with that for other stores under similar conditions.

TABLE 56

RELATION OF EXPENDITURES FOR MAIL ADVERTISING TO TOTAL NET SALES FOR STORES CLASSIFIED BY SIZE AND BY SIZE OF CITY, 1919

Size of City (in 000's)	Classified Total Net Sales (in 000's)	Stores Reporting Expenditures for Mail Advertising: Number	Total Net Sales	Mail Advertising	Amount per $100 of Total Net Sales	Ratio Which Amount of Mail Advertising per $100 of Total Net Sales for Stores of Different Size in Cities of Different Size, is of the Amount for All Stores (Per Cent.)	Per Cent.
Total (Average)	Total (Average)	126	$13,060,609	$21,389	$0.16		100.0
	Under $40	27	833,997	1,998	0.24		150.0
	$40 to $80	50	2,889,311	4,413	0.15		93.8
	$80 to $180	37	4,319,088	7,559	0.18		112.5
	$180 & over	12	5,018,213	7,419	0.15		93.8
Under 40	Total (Average)	101	6,933,078	11,968	0.17		106.3
	Under $40	27	833,997	1,998	0.24		150.0
	$40 to $80	45	2,569,579	3,976	0.15		93.8
	$80 to $180	26	2,885,882	5,345	0.19		118.8
	$180 & over	3	643,620	649	0.10		62.5
40 and over	Total (Average)	25	6,127,531	9,421	0.15		93.8
	Under $40	-	-	-	-		-
	$40 to $80	5	319,732	437	0.14		87.5
	$80 to $180	11	1,433,206	2,214	0.15		93.8
	$180 & over	9	4,374,593	6,770	0.15		93.8

Per Cent. 0 40 80 120 160 200 240 280 320

Average $0.16

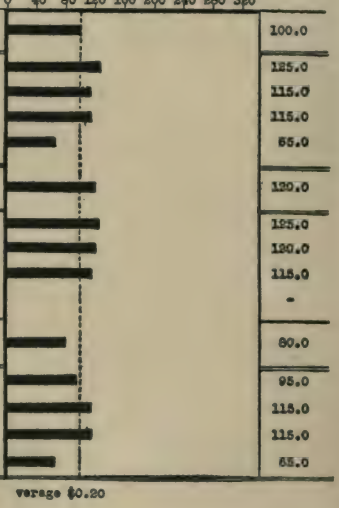
For 1918, the average amount spent for mail advertising per $100 of total net sales was $0.20; that is, it is slightly larger than the corresponding amount for 1919. Table 57 shows the amounts which characterize each group of stores when classified by size and location.

For 1914, the average amount spent by 57 stores for mail advertising per $100 of total net sales was $0.22. This amount exceeds the

TABLE 57

RELATION OF EXPENDITURES FOR MAIL ADVERTISING TO TOTAL NET SALES FOR STORES CLASSIFIED BY SIZE AND BY SIZE OF CITY, 1918

Size of City (in 000's)	Classified Total Net Sales (in 000's)	Stores Reporting Expenditures for Mail Advertising: Number	Total Net Sales	Mail Advertising	Amount per $100 of Total Net Sales	Ratio Which Amount of Mail Advertising per $100 of Total Net Sales for Stores of Different Size in Cities of Different Size, is of the Amount for All Stores: Per Cent.
Total (Average)	Total (Average)	95	$7,651,725	$15,108	$0.20	100.0
	Under $40	37	1,044,997	2,616	0.25	125.0
	$40 to $80	35	2,022,684	4,733	0.23	115.0
	$80 to $180	17	1,890,121	4,352	0.23	115.0
	$180 & over	6	2,693,923	3,407	0.13	65.0
Under 40	Total (Average)	73	3,606,555	8,585	0.24	120.0
	Under $40	36	1,009,401	2,548	0.25	125.0
	$40 to $80	27	1,611,747	5,569	0.24	120.0
	$80 to $180	10	1,085,407	2,468	0.23	115.0
	$180 & over	-	-	-	-	-
40 and over	Total (Average)	22	4,045,170	6,523	0.16	80.0
	Under $40	1	35,596	68	0.19	95.0
	$40 to $80	8	510,937	1,164	0.23	115.0
	$80 to $180	7	804,714	1,884	0.23	115.0
	$180 & over	6	2,693,923	3,407	0.13	65.0



average for the combined period, as well as the amounts for 1919 and 1918. In Table 58, the data for the groups of stores, differently located and classified by size, are shown in detail.

A comparison of Tables 55 to 58, inclusive, seems to lead to the following conclusions: First, the amount spent for mail advertising per $100 of total net sales decreased between 1914 and 1918, as well as between 1918 and 1919. Second, the amounts in terms of sales spent for this purpose by small stores exceed those spent by larger stores, though this tendency is not marked for the year 1918. Third, generally speaking, but based on somewhat inadequate data, stores in small cities spend, in relation to sales, more on the average for this purpose than stores in large cities.

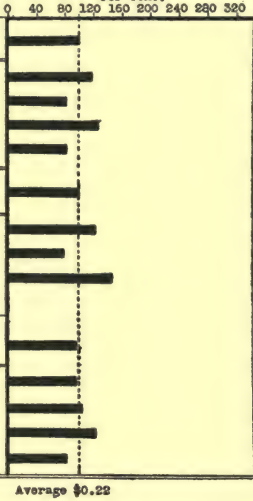
B.—Yearly Expenditures for Mail Advertising per $100 of Total Advertising Expense.

On the basis of the experience for 278 store-years, for 1919, 1918, and 1914 combined, out of every $100 of

TABLE 58

RELATION OF EXPENDITURES FOR MAIL ADVERTISING TO TOTAL NET SALES FOR STORES CLASSIFIED BY SIZE AND BY SIZE OF CITY, 1914

Size of City (in 000's)	Classified Total Net Sales (in 000's)	Stores Reporting Expenditures For Mail Advertising: Number	Total Net Sales	Mail Advertising	Amount per $100 of Total Net Sales	Ratio Which Amount of Mail Advertising per $100 of Total Net Sales for Stores of Different Size in Cities of Different Size, is of the Amount for All Stores	Per Cent.
Total (Average)	Total (Average)	57	$3,209,212	$6,991	$0.22		100.0
	Under $40	33	813,157	2,126	0.26		118.2
	$40 to $80	17	907,427	1,613	0.18		81.8
	$80 to $180	5	549,525	1,521	0.28		127.3
	$180 & over	2	939,103	1,731	0.18		81.8
Under 40	Total (Average)	47	1,641,105	3,655	0.22		100.0
	Under $40	31	754,471	2,092	0.27		122.7
	$40 to $80	15	792,055	1,353	0.17		77.3
	$80 to $180	1	94,579	300	0.32		145.5
	$180 & over	-	-	-	-		-
40 and over	Total (Average)	10	1,568,107	3,336	0.21		95.5
	Under $40	2	58,686	124	0.21		95.5
	$40 to $80	2	115,372	260	0.23		104.5
	$80 to $180	4	454,946	1,221	0.27		122.7
	$180 & over	2	939,103	1,731	0.18		81.8



total advertising expense, $7.02 is spent for mail advertising. For 1919, the corresponding amount was $6.58; for 1918, $7.32; and for 1914, $7.94. That is, the amounts decreased between 1914 and 1918, and between 1918 and 1919. In relation to total advertising, mail advertising during the period became less prominent as compared with other means. The amounts decrease as the size of the store increases, varying from $14.93 for the stores with sales under $40,000, to $4.16 for those with sales of $180,000 and over. That is, small stores, on an average, spend for this purpose 15 per cent. of their total advertising, while the largest stores spend 4 per cent.

Stores in small cities spend relatively more for this purpose than stores in large cities, the average for the former being $10.73, and for the latter, $4.90 per $100 of total advertising expense. Disregarding the largest stores, because of the small number reporting for the small cities, and also ignoring the smallest ones because of the small number in the large cities, one may conclude that

the stores in small cities spend relatively more for mail advertising, in proportion to total advertising, than stores of the same size located in large cities. In actual amounts, however, the stores in large cities spend more per store. Stores with sales between $80,000 and $180,000 may be cited as an example. In the small cities, stores of this size spend on the average for this purpose $219 per store and $9.70 per $100 of total advertising. In the large cities, the corresponding amounts are $242 and $6.21.

Table 59 shows for 1919, 1918, and 1914, combined, the relations of amounts spent for mail advertising to total advertising expense for stores classified by size and location.

TABLE 59

RELATION OF EXPENDITURES FOR MAIL ADVERTISING TO TOTAL ADVERTISING FOR STORES CLASSIFIED BY SIZE AND BY SIZE OF CITY, 1919, 1918, AND 1914, COMBINED

Size of City (in 000's)	Classified Total Net Sales (in 000's)	Stores Reporting Expenditures for Mail Advertising: Number of Store-years	Total Advertising	Mail Advertising	Amount per $100 of Total Advertising	Ratio Which Amount of Mail Advertising per $100 of Total Advertising for Stores of Different Size in Cities of Different Size, is of the Amount for All Stores (Per Cent.)	Per Cent.
						0 40 80 120 160 200 240 280 320	
Total (Average)	Total (Average)	278	$619,292	$43,488	$7.02		100.0
Total (Average)	Under $40	97	45,130	6,740	14.93		212.7
	$40 to $80	102	102,948	10,759	10.45		148.9
	$80 to $180	59	169,193	13,432	7.94		113.1
	$180 & over	20	302,021	12,557	4.16		59.3
Under 40	Total (Average)	221	225,619	24,208	10.73		152.8
	Under $40	84	44,546	6,548	14.70		209.4
	$40 to $80	87	81,609	8,898	10.90		155.3
	$80 to $180	37	83,603	8,113	9.70		138.2
	$180 & over	3	15,861	649	4.09		58.3
40 and over	Total (Average)	57	393,673	19,280	4.90		69.8
	Under $40	3	584	192	32.88		468.4*
	$40 to. $80	15	21,339	1,861	8.72		124.2
	$80 to $180	22	85,590	5,319	6.21		88.5
	$180 & over	17	286,160	11,908	4.16		59.3

*Full length of line not shown

Average $7.02

Table 60 shows for 1919 data similar to those in Table 59 for the three years combined. The average expenditure for mail advertising per $100 of total advertising expense, for this year, is $6.58. The amounts decrease as the size of the store increases, ranging from $18.63 for the

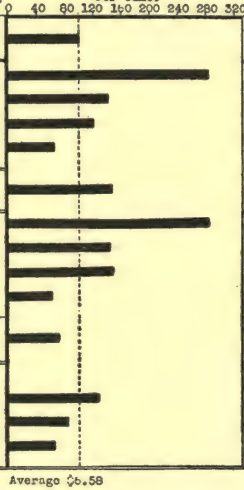
smallest to $4.30 for the largest stores. Moreover, as in the case of the combined years, the averages are generally higher for the store-groups in small cities than for the corresponding groups in large cities.

Similar data for 1918 and 1914 are shown in Tables 61 and 62. The

TABLE 60

RELATION OF EXPENDITURES FOR MAIL ADVERTISING TO TOTAL ADVERTISING FOR STORES CLASSIFIED BY SIZE AND BY SIZE OF CITY, 1919

Size of City (in 000's)	Classified Total Net Sales (in 000's)	Stores Reporting Expenditures for Mail Advertising: Number	Total Advertising	Mail Advertising	Amount per $100 of Total Advertising	Ratio Which Amount of Mail Advertising per $100 of Total Advertising for Stores of Different Size in Cities of Different Size, is of the Amount for All Stores (Per Cent.)	Per Cent.
	Total (Average)	126	$324,871	$21,389	$6.58		100.0
Total (Average)	Under $40	27	10,724	1,998	18.63		283.1
	$40 to $80	50	47,051	4,413	9.38		142.6
	$80 to $180	37	94,761	7,559	7.98		121.3
	$180 & over	12	172,335	7,419	4.30		65.3
	Total (Average)	101	123,659	11,968	9.68		147.1
Under 40	Under $40	27	10,724	1,998	18.63		283.1
	$40 to $80	45	41,832	3,976	9.50		144.4
	$80 to $180	26	55,242	5,345	9.68		147.1
	$180 & over	3	15,861	649	4.09		62.2
	Total (Average)	25	201,212	9,421	4.68		71.1
40 and over	Under $40	-	-	-	-		-
	$40 to $80	5	5,219	437	8.37		127.2
	$80 to $180	11	39,519	2,214	5.60		85.1
	$180 & over	9	156,474	6,770	4.33		65.8



amounts for these years follow the general tendencies already noted for 1919, although they are erratic from store-group to store-group.

The data in Tables 59 to 62, inclusive, support the following conclusions respecting expenditures for mail advertising per $100 of total advertising expense: First, the average amounts spent by all stores decreased between 1914 and 1918 by 7.8 per cent., and between 1918 and 1919 by 10.1 per cent. Second, the average amounts spent by stores in small cities increased between 1914 and 1918, and decreased between 1918 and 1919. Third, for the stores located in cities with population of 40,000 and over, the average amounts decreased between 1914 and 1918, and slightly increased between 1918 and

1919. Fourth, the average amounts spent decrease, generally speaking, with an increase in the size of the stores. Fifth, the average amounts spent by stores in small cities are essentially twice as large as are the amounts spent by stores located in cities with population of 40,000 and over. From year to year, this relationship varies, but in every year the amounts are larger for the stores in the small cities.

TABLE 61

RELATION OF EXPENDITURES FOR MAIL ADVERTISING TO TOTAL ADVERTISING FOR STORES CLASSIFIED BY SIZE AND BY SIZE OF CITY, 1918

Size of City (in 000's)	Classified Total Net Sales (in 000's)	Stores Reporting Expenditures for Mail Advertising: Number	Total Advertising	Mail Advertising	Amount per $100 of Total Advertising	Ratio Which Amount of Mail Advertising per $100 of Total Advertising for Stores of Different Size and in Cities of Different Size, is of the Amount for All Stores (Per Cent.)	Per Cent.
Total (Average)	Total (Average)	95	$206,377	$15,108	$7.32		100.0
Total (Average)	Under $40	37	17,320	2,616	15.10		206.3
	$40 to $80	35	36,895	4,733	12.83		175.3
	$80 to $180	17	53,578	4,352	8.12		110.9
	$180 & over	6	98,584	3,407	3.46		47.3
Under 40	Total (Average)	73	66,330	8,535	12.94		176.8
	Under $40	36	17,252	2,548	14.77		201.8
	$40 to $80	27	24,805	3,569	14.39		196.6
	$80 to $180	10	23,273	2,468	10.17		138.9
	$180 & over	-	-	-	-		-
40 and over	Total (Average)	22	140,047	6,523	4.66		63.7
	Under $40	1	68	68	100.00		1,366.1*
	$40 to $80	8	12,090	1,164	9.63		131.8
	$80 to $180	7	29,305	1,884	6.43		87.8
	$180 & over	6	98,584	3,407	3.46		47.3

Per Cent. 0 40 80 120 160 200 240 280

*Full length of line not shown

Average $7.32

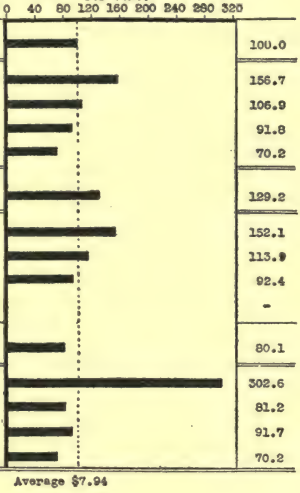
5.—YEARLY EXPENDITURES FOR ADVERTISING BY MEANS OF STYLE BOOKS, CATALOGS, AND CALENDARS PER $100 OF TOTAL NET SALES AND PER $100 OF TOTAL ADVERTISING EXPENSE, 1919, 1918, AND 1914.

The amount spent for advertising by means of style books, catalogs, and calendars, when expressed in terms of total net sales and total advertising expense, stands fourth in order of expenditures for advertising by special methods. From the standpoint of frequency of use, however, this method ranks second among the different types of advertising, newspapers alone being used more frequently. Of the stores reporting the

TABLE 62

RELATION OF EXPENDITURES FOR MAIL ADVERTISING TO TOTAL ADVERTISING FOR STORES CLASSIFIED BY SIZE AND BY SIZE OF CITY, 1914

Size of City (in 000's)	Classified Total Net Sales (in 000's)	Stores Reporting Expenditures for Mail Advertising: Number	Total Advertising	Mail Advertising	Amount per $100 of Total Advertising	Ratio Which Amount of Mail Advertising per $100 of Total Advertising for Stores of Different Size in Cities of Different Size, is of the Amount for All Stores	Per Cent.
Total (Average)	Total (Average)	57	$88,044	$6,991	$7.94		100.0
Total (Average)	Under $40	33	17,086	2,126	12.44		156.7
	$40 to $80	17	19,002	1,613	8.49		106.9
	$80 to $180	5	20,954	1,521	7.29		91.8
	$180 & over	2	31,102	1,731	5.57		70.2
Under 40	Total (Average)	47	35,630	3,655	10.26		129.2
	Under $40	31	16,570	2,002	12.08		152.1
	$40 to $80	15	14,972	1,353	9.04		113.9
	$80 to $180	1	4,088	300	7.34		92.4
	$180 & over	-	-	-	-		-
40 and over	Total (Average)	10	52,414	3,336	6.36		80.1
	Under $40	2	516	124	24.03		302.6
	$40 to $80	2	4,030	260	6.45		81.2
	$80 to $180	4	16,766	1,221	7.28		91.7
	$180 & over	2	31,102	1,731	5.57		70.2



detail of their advertising for 1919, 57 per cent. of those located in small cities, and 31 per cent. of those located in large cities, reported expenditures for advertising by means of style books, catalogs, and calendars.

A.—Yearly Expenditures for Advertising by Means of Style Books, Catalogs, and Calendars per $100 of Total Net Sales.

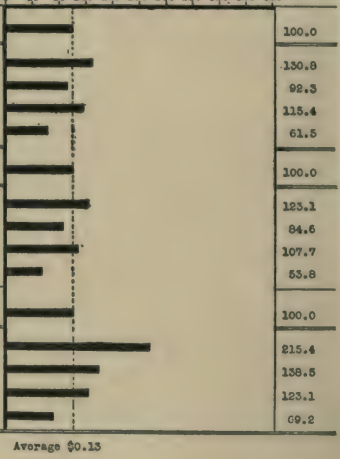
On the basis of the experience of 298 store-years for 1919, 1918, and 1914 combined, the average expenditure for style books, catalogs, and calendars, per $100 of total net sales, is $0.13. This is the average for stores located in both small and large cities. The amount, however, in terms of sales is higher for small than it is for large stores, the average for stores having sales under $40,000 being $0.17, and for those with sales of $180,000 and over, $0.08. Roughly, the same proportion holds between the amounts for small and large stores in both small and large cities.

Table 63 shows, for stores classified by size and location, the relation of expenditures for style books, catalogs, and calendars to total net sales

TABLE 63

RELATION OF EXPENDITURES FOR STYLE BOOKS, CATALOGS, AND CALENDARS TO TOTAL NET SALES FOR STORES CLASSIFIED BY SIZE AND BY SIZE OF CITY, 1919, 1918, AND 1914, COMBINED

Size of City (in 000's)	Classified Total Net Sales (in 000's)	Stores Reporting Expenditures for Style Books, Catalogs, and Calendars: Number of Store-years	Total Net Sales	Style Books, Catalogs, and Calendars	Amount per $100 of Total Net Sales	Ratio Which Amount of Expenditures for Style Books, Catalogs, and Calendars per $100 of Total Net Sales for Stores of Different Size, is of the Amount for All Stores (Per Cent.)	Per Cent.
Total (Average)	Total (Average)	298	$21,809,345	$28,226	$0.13		100.0
	Under $40	101	2,613,225	4,587	0.17		130.8
	$40 to $80	111	6,421,215	7,709	0.12		92.3
	$80 to $180	70	8,048,548	12,021	0.15		115.4
	$180 & over	16	4,526,357	3,809	0.08		61.5
Under 40	Total (Average)	242	13,865,066	17,970	0.13		100.0
	Under $40	98	2,710,177	4,398	0.16		123.1
	$40 to $80	97	5,501,594	6,020	0.11		84.6
	$80 to $180	44	4,908,056	7,045	0.14		107.7
	$180 & over	3	745,239	507	0.07		53.8
40 and over	Total (Average)	56	7,944,279	10,256	0.13		100.0
	Under $40	3	103,048	289	0.28		215.4
	$40 to $80	14	919,621	1,689	0.18		138.5
	$80 to $180	26	3,140,492	4,976	0.16		123.1
	$180 & over	13	3,781,118	3,302	0.09		69.2



for the years 1919, 1918, and 1914 combined.

In 1919, 133 stores spent, on the average, $0.12 for style books, catalogs, and calendars per $100 of total net sales. When stores are classified by size, the amounts may be said to decrease, generally, as the size of the store increases. The number of stores with sales of $180,000 and over, however, is too small to produce a satisfactory average. The same may be said also of the 3 stores, with sales of $40,000 to $80,000, which are located in cities with population of 40,000 and over. The details for stores classified by size and by location are shown in Table 64. They are presented in this form in the hope that they may reflect, in a general way, standards against which merchants may contrast their own experience.

Tables 65 and 66 show for 1918 and 1914 data corresponding to those given for 1919 in Table 64. In general, the amounts for these years follow the tendencies noted for the three years combined and for 1919. The number of stores in several of the individual store-groups is too small to give an average which portrays a

TABLE 64

RELATION OF EXPENDITURES FOR STYLE BOOKS, CATALOGS, AND CALENDARS TO TOTAL NET SALES FOR STORES CLASSIFIED BY SIZE AND BY SIZE OF CITY, 1919

Size of City (in 000's)	Classified Total Net Sales (in 000's)	Stores Reporting Expenditures for Style Books, Catalogs, and Calendars: Number	Total Net Sales	Style Books, Catalogs, and Calendars	Amount per $100 of Total Net Sales	Ratio Which Amount of Expenditures for Style Books, Catalogs, and Calendars per $100 of Total Net Sales for Stores of Different Size, is of the Amount for All Stores	Per Cent.
						Per Cent. 0 40 80 120 160 200 240 280 320 360 400	
	Total (Average)	133	$12,117,623	$14,955	$0.12		100.0
Total (Average)	Under $40	25	756,608	1,242	0.16		133.3
	$40 to $80	56	3,304,923	3,911	0.11		91.7
	$80 to $180	42	5,000,274	7,637	0.15		125.0
	$180 & over	10	3,055,818	2,365	0.08		66.7
	Total (Average)	111	8,054,141	9,967	0.12		100.0
Under 40	Under $40	25	756,608	1,242	0.16		133.3
	$40 to $80	53	3,075,427	3,209	0.10		83.3
	$80 to $180	30	3,476,867	5,009	0.14		116.7
	$180 & over	3	745,239	507	0.07		58.3
	Total (Average)	22	4,063,482	4,988	0.12		100.0
40 and over	Under $40	-	-	-	-		-
	$40 to $80	3	229,496	502	0.22		183.3
	$80 to $180	12	1,523,407	2,628	0.17		141.7
	$180 & over	7	2,310,579	1,858	0.08		66.7

Average $0.12

TABLE 65

RELATION OF EXPENDITURES FOR STYLE BOOKS, CATALOGS, AND CALENDARS TO TOTAL NET SALES FOR STORES CLASSIFIED BY SIZE AND BY SIZE OF CITY, 1918

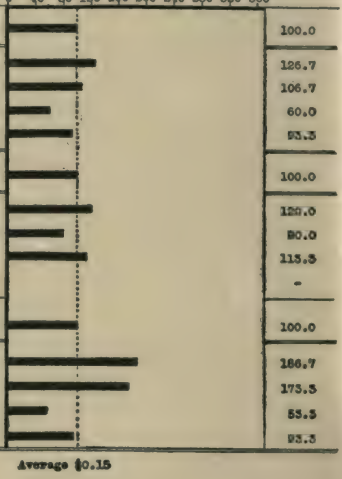
Size of City (in 000's)	Classified Total Net Sales (in 000's)	Stores Reporting Expenditures for Style Books, Catalogs, and Calendars: Number	Total Net Sales	Style Books, Catalogs, and Calendars	Amount per $100 of Total Net Sales	Ratio Which Amount of Expenditures for Style Books, Catalogs, and Calendars per $100 of Total Net Sales for Stores of Different Size, is of the Amount for All Stores	Per Cent.
						Per Cent. 0 40 80 120 160 200 240 280 320 360	
	Total (Average)	101	$6,745,026	$8,841	$0.13		100.0
Total (Average)	Under $40	37	1,037,641	1,539	0.15		115.4
	$40 to $80	37	2,088,473	2,368	0.11		84.6
	$80 to $180	22	2,329,373	3,720	0.16		123.1
	$180 & over	5	1,289,539	1,194	0.09		69.2
	Total (Average)	81	4,072,768	5,385	0.13		100.0
Under 40	Under $40	37	1,037,641	1,539	0.15		115.4
	$40 to $80	31	1,695,893	1,988	0.12		92.3
	$80 to $180	13	1,339,234	1,878	0.14		107.7
	$180 & over	-	-	-	-		-
	Total (Average)	20	2,672,258	3,456	0.13		100.0
40 and over	Under $40	-	-	-	-		-
	$40 to $80	6	392,580	420	0.11		84.6
	$80 to $180	9	990,139	1,842	0.19		146.2
	$180 & over	5	1,289,539	1,194	0.09		69.2

Average $0.13

TABLE 66

RELATION OF EXPENDITURES FOR STYLE BOOKS, CATALOGS, AND CALENDARS TO TOTAL NET SALES FOR STORES CLASSIFIED BY SIZE AND BY SIZE OF CITY, 1914

Size of City (in 000's)	Classified Total Net Sales (in 000's)	Stores Reporting Expenditures for Style Books, Catalogs, and Calendars: Number	Total Net Sales	Style Books, Catalogs, and Calendars	Amount per $100 of Total Net Sales	Ratio Which Amount of Expenditures for Style Books, Catalogs, and Calendars per $100 of Total Net Sales for Stores of Different Size, is of the Amount for All Stores: Per Cent.
Total (Average)	Total (Average)	64	$2,946,696	$4,430	$0.15	100.0
	Under $40	39	1,018,976	1,906	0.19	126.7
	$40 to $80	18	1,027,819	1,610	0.16	106.7
	$80 to $180	6	718,901	554	0.09	60.0
	$180 & over	1	181,000	250	0.14	93.3
Under 40	Total (Average)	50	1,738,157	2,618	0.15	100.0
	Under $40	36	915,928	1,617	0.18	120.0
	$40 to $80	13	730,274	843	0.12	80.0
	$80 to $180	1	91,955	158	0.17	113.3
	$180 & over	-	-	-	-	-
40 and over	Total (Average)	14	1,208,539	1,812	0.15	100.0
	Under $40	3	103,048	289	0.28	186.7
	$40 to $80	5	297,545	767	0.26	173.3
	$80 to $180	5	626,946	506	0.08	53.3
	$180 & over	1	181,000	250	0.14	93.3



typical condition. The details, however, seem sufficiently interesting to warrant their inclusion.

A comparison of Tables 63 to 66, inclusive, which give the detailed amounts of advertising expense for style books, catalogs, and calendars per unit of total net sales, seems to lead to the following conclusions: First, the average amount spent for this purpose decreased between 1914 and 1918, and between 1918 and 1919. Second, the average amounts spent by stores in small, and the amounts spent by stores in large cities are the same for the different years. Third, the average amounts spent decrease as the stores increase in size. This is not uniformly the case, but on the whole a decrease characterizes the direction of change from store-group to store-group.

B.—Yearly Expenditures for Advertising by Means of Style Books, Catalogs, and Calendars per $100 of Total Advertising Expense.

For the years 1919, 1918, and 1914, combined, out of every $100 of total advertising expense, $5.80 was spent for style books, catalogs, and calen-

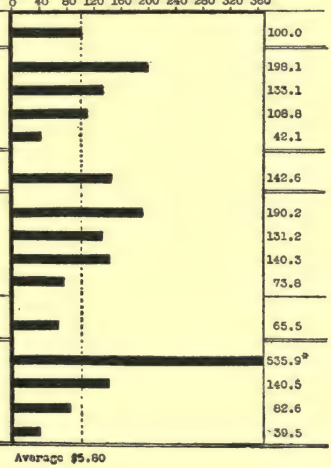
dars. This average is based on the experience of 298 store-years. The amounts of expenditure for this purpose decrease as the stores increase in size, although the *actual* amounts spent increase with stores of increasing size. The average amounts spent per $100 of total advertising expense, for the three years combined, range from $11.49 for stores with annual sales under $40,000, to $2.44 for stores with annual sales of $180,000 and over. That is, when all the stores are treated as a whole, those with sales of less than $40,000 per year spend approximately five times as much for advertising in this manner, when expressed in terms of total advertising expense, as do the stores with annual sales of $180,000 and over. Such wide differences, however, do not hold for stores when they are classified by the size of the cities in which they are located. The nature of the difference from store-group to store-group is shown in detail in Table 67.

The average for the stores located in cities with population under 40,000 is $8.27, while the corresponding amount for the stores located in cities with population of 40,000 and over is $3.80. That is, the former amount is

TABLE 67

RELATION OF EXPENDITURES FOR STYLE BOOKS, CATALOGS, AND CALENDARS TO TOTAL ADVERTISING FOR STORES CLASSIFIED BY SIZE AND BY SIZE OF CITY, 1919, 1918, AND 1914, COMBINED

Size of City (in 000's)	Classified Total Net Sales (in 000's)	Stores Reporting Expenditures for Style Books, Catalogs, and Calendars: Number of Store-years	Total Advertising	Style Books, Catalogs, and Calendars	Amount per $100 of Total Advertising	Ratio Which Amount of Expenditures for Style Books, Catalogs, and Calendars per $100 of Total Advertising for Stores of Different Size, is of the Amount for All Stores (Per Cent.)	Per Cent.
Total (Average)	Total (Average)	298	$487,054	$28,226	$5.80		100.0
Total (Average)	Under $40	101	40,787	4,687	11.49		198.1
	$40 to $80	111	99,847	7,709	7.72		133.1
	$80 to $180	70	190,429	12,021	6.31		108.8
	$180 & over	16	155,991	3,809	2.44		42.1
Under 40	Total (Average)	242	217,340	17,970	8.27		142.6
	Under $40	98	39,857	4,398	11.03		190.2
	$40 to $80	97	79,134	6,020	7.61		131.2
	$80 to $180	44	86,497	7,045	8.14		140.3
	$180 & over	3	11,852	507	4.28		73.8
40 and over	Total (Average)	56	269,714	10,256	3.80		65.5
	Under $40	3	930	269	31.08		535.9*
	$40 to $80	14	20,713	1,689	8.15		140.5
	$80 to $180	26	103,932	4,976	4.79		82.6
	$180 & over	13	144,139	3,302	2.29		39.5



*Full length of line not shown

approximately two and one-half times as large as the latter. Too much significance, however, should not be assigned to these averages. The store-groups are wide and the number of stores for which data are available, in some instances, is few. A safer comparison can be made between the stores of corresponding size, and the reader can make this for himself by consulting the detail.

Table 67 shows, for stores classified by size and location, the amounts of expenditure for style books, catalogs, and calendars per $100 of total advertising expense for 1919, 1918, and 1914 combined.

Table 68 is similar to Table 67, but gives the data for 1919. The average for this year was $5.79. The amounts range from $13.88 for the stores with sales under $40,000, to $2.35 for those with sales of $180,000 and over. Out of every $100 of total advertising expense, the 111 stores in small cities paid, on the average, $8.24 for

TABLE 68

RELATION OF EXPENDITURES FOR STYLE BOOKS, CATALOGS, AND CALENDARS TO TOTAL ADVERTISING FOR STORES CLASSIFIED BY SIZE AND BY SIZE OF CITY, 1919

Size of City (in 000's)	Classified Total Net Sales (in 000's)	Stores Reporting Expenditures for Style Books, Catalogs, and Calendars: Number	Total Advertising	Style Books, Catalogs, and Calendars	Amount per $100 of Total Advertising	Ratio Which Amount of Expenditures for Style Books, Catalogs, and Calendars per $100 of Total Advertising for Stores of Different Size, is of the Amount for All Stores (Per Cent.)	Per Cent.
						0 40 80 120 160 200 240 280 320 360	
Total (Average)	Total (Average)	133	$258,305	$14,955	$5.79		100.0
Total (Average)	Under $40	25	8,950	1,242	13.88		239.7
	$40 to $80	56	41,976	3,711	8.84		152.7
	$80 to $180	42	106,664	7,637	7.16		123.7
	$180 & over	10	100,715	2,365	2.35		40.6
Under 40	Total (Average)	111	120,899	9,967	8.24		142.3
	Under $40	25	8,950	1,242	13.88		239.7
	$40 to $80	53	39,157	3,209	8.20		141.6
	$80 to $180	30	60,940	5,009	8.22		142.0
	$180 & over	3	11,852	507	4.28		73.9
40 and over	Total (Average)	22	137,406	4,988	3.63		62.7
	Under $40	-	-	-	-		-
	$40 to $80	3	2,819	502	17.81		307.6
	$80 to $180	12	45,724	2,628	5.75		99.3
	$180 & over	7	88,863	1,858	2.09		36.1

Average $5.79

style books, catalogs, and calendars, while the 22 stores in the large cities paid $3.63.

Data, similar to those contained in Table 68 for 1919, are contained in Tables 69 and 70 for the years 1918 and 1914, respectively. In a general way, the differences noted for the year 1919, for stores of different size and location, hold for each of these years. It is unnecessary to point these out in particular, but a word of caution should be mentioned against assigning too great significance to averages when they are based upon records of a few stores. It should be remembered that the stores are classified into wide groups by size and by location, and that, when few instances are averaged, the results are likely to be erratic and seriously influenced by individual cases.

TABLE 69

RELATION OF EXPENDITURES FOR STYLE BOOKS, CATALOGS, AND CALENDARS TO TOTAL ADVERTISING FOR STORES CLASSIFIED BY SIZE AND BY SIZE OF CITY, 1918

Size of City (in 000's)	Classified Total Net Sales (in 000's)	Stores Reporting Expenditures for Style Books, Catalogs, and Calendars: Number	Total Advertising	Style Books, Catalogs, and Calendars	Amount per $100 of Total Advertising	Ratio Which Amount of Expenditures for Style Books, Catalogs, and Calendars per $100 of Total Advertising for Stores of Different Size, is of the Amount for All Stores (Per Cent.)	Per Cent.
						0 40 80 120 160 200 240 280 320 360	
Total (Average)	Total (Average)	101	$161,699	$8,841	$5.47		100.0
	Under $40	37	15,303	1,539	10.06		183.9
	$40 to $80	37	34,312	2,388	6.98		127.2
	$80 to $180	22	61,308	3,720	6.07		111.0
	$180 & over	5	50,776	1,194	2.35		43.0
Under 40	Total (Average)	81	64,310	5,385	8.37		153.0
	Under $40	37	15,303	1,539	10.06		183.9
	$40 to $80	31	26,466	1,968	7.44		136.0
	$80 to $180	13	22,541	1,878	8.33		152.3
	$180 & over	-	-	-	-		-
40 and over	Total (Average)	20	97,389	5,456	3.55		64.9
	Under $40	-	-	-	-		-
	$40 to $80	6	7,846	420	5.35		97.8
	$80 to $180	9	38,767	1,842	4.75		86.8
	$180 & over	5	50,776	1,194	2.35		43.0

Average $5.47

From a study of Tables 67 to 70, inclusive, which show by years, the amount of expenditures for style books, catalogs, and calendars per $100 of total advertising expense, the following conclusions may be hazarded: First, the average amounts spent for this purpose decreased between 1914 and 1918, and slightly increased between 1918 and 1919.

Second, the average amounts spent in stores in small cities exceed the amounts spent by stores of corresponding size in large cities. Third, the amounts spent for this purpose decrease as the size of the store increases. This principle obtains not only for the combined years, but also for each of the individual years. The decrease, while not uniform from year to year, is conspicuous and seems to point to the conclusion that this method of advertising is relatively much more common, when measured in terms of total advertising expense, for the stores with small than for the stores with large annual sales.

TABLE 70

RELATION OF EXPENDITURES FOR STYLE BOOKS, CATALOGS, AND CALENDARS TO TOTAL ADVERTISING FOR STORES CLASSIFIED BY SIZE AND BY SIZE OF CITY, 1914

Size of City (in 000's)	Classified Total Net Sales (in 000's)	Stores Reporting Expenditures for Style Books, Catalogs, and Calendars: Number	Total Advertising	Style Books, Catalogs, and Calendars	Amount per $100 of Total Advertising	Ratio Which Amount of Expenditures for Style Books, Catalogs, and Calendars per $100 of Total Advertising for Stores of Different Size, is of the Amount for All Stores: Per Cent.	Per Cent.
Total (Average)	Total (Average)	54	$87,050	$4,430	$6.61		100.0
Total (Average)	Under $40	39	16,534	1,906	11.53		174.4
	$40 to $80	18	23,559	1,610	6.83		103.3
	$80 to $180	5	22,457	554	2.96		44.8
	$180 & over	1	4,500	250	5.56		84.1
Under 40	Total (Average)	50	32,131	2,618	8.15		123.3
	Under $40	36	15,604	1,617	10.36		156.7
	$40 to $80	13	13,511	843	6.24		94.4
	$80 to $180	1	3,016	158	5.24		79.3
	$180 & over	-	-	-	-		-
40 and over	Total (Average)	14	34,919	1,812	5.19		78.5
	Under $40	3	930	289	31.08		470.2*
	$40 to $80	5	10,048	767	7.63		115.4
	$80 to $180	5	19,441	506	2.60		39.3
	$180 & over	1	4,500	250	5.56		84.1

Per Cent. 0 40 80 120 160 200 240 280 320 360

Average $6.61

*Full length of line not shown

6.—YEARLY EXPENDITURES FOR MOVING PICTURE ADVERTISING PER $100 OF TOTAL NET SALES AND PER $100 OF TOTAL ADVERTISING EXPENSE, 1919, 1918, AND 1914.

The amounts of expenditures for moving picture advertising include the original cost and rental of films and slides, together with the amounts paid for display.

A.—Yearly Expenditures for Moving Picture Advertising per $100 of Total Net Sales.

The average expenditure for moving picture advertising per $100 of total net sales, for 1919, 1918, and 1914, combined, is $0.09. This amount is based upon an experience of 255 store-years. The average for the stores located in cities with population under 40,000 is $0.09, and for the stores located in cities with population of 40,000 and over, is $0.13.

The relations between expenditures for moving picture advertising and total net sales for the years 1919, 1918, and 1914, combined, are given in Table 71.

Tables 72, 73, and 74 are similar to Table 71, but contain the data for 1919, 1918, and 1914, respectively. The average expenditure for moving

TABLE 71

RELATION OF EXPENDITURES FOR MOVING PICTURE ADVERTISING TO TOTAL NET SALES FOR STORES CLASSIFIED BY SIZE AND BY SIZE OF CITY, 1919, 1918, AND 1914, COMBINED

Size of City (in 000's)	Classified Total Net Sales (in 000's)	Stores Reporting Expenditures for Moving Picture Advertising: Number of Store-years	Total Net Sales	Moving Pictures	Amount per $100 of Total Net Sales	Ratio which Amount of Expenditures for Moving Picture Advertising per $100 of Total Net Sales for Stores of Different Size, is of the Amount for All Stores (Per Cent.)	Per Cent.
Total (Average)	Total (Average)	255	$15,387,897	$14,576	$0.09		100.0
	Under $40	98	2,685,865	3,188	0.12		133.3
	$40 to $80	103	5,836,516	5,261	0.09		100.0
	$80 to $180	45	5,382,435	3,978	0.07		77.8
	$180 & over	6	1,483,081	2,149	0.14		155.6
Under 40	Total (Average)	236	13,072,645	11,484	0.09		100.0
	Under $40	97	2,656,193	3,089	0.12		133.3
	$40 to $80	96	5,374,852	4,653	0.09		100.0
	$80 to $180	40	4,412,304	3,085	0.07		77.8
	$180 & over	3	629,296	658	0.10		111.1
40 and over	Total (Average)	19	2,315,252	3,092	0.13		144.4
	Under $40	1	29,672	100	0.34		377.8
	$40 to $80	7	461,664	668	0.13		144.4
	$80 to $180	8	970,131	893	0.09		100.0
	$180 & over	3	853,785	1,491	0.17		188.9

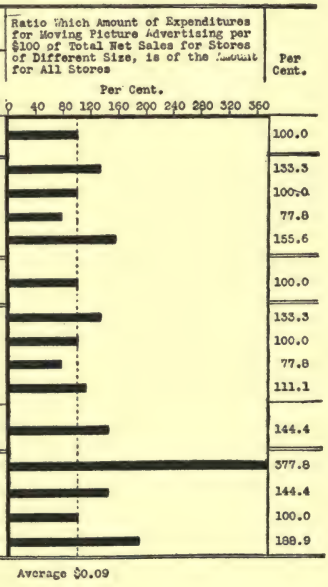
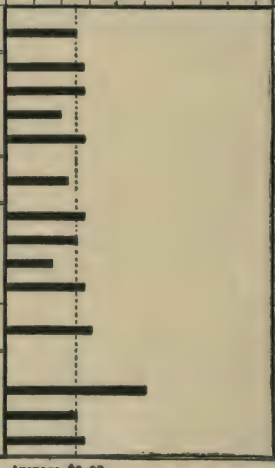


TABLE 72

RELATION OF EXPENDITURES FOR MOVING PICTURE ADVERTISING TO TOTAL NET SALES FOR STORES CLASSIFIED BY SIZE AND BY SIZE OF CITY, 1919

Size of City (in 000's)	Classified Total Net Sales (in 000's)	Stores Reporting Expenditures for Moving Picture Advertising: Number	Total Net Sales	Moving Pictures	Amount per $100 of Total Net Sales	Ratio Which Amount of Expenditures for Moving Picture Advertising per $100 of Total Net Sales for Stores of Different Size, is of the Amount for All Stores (Per Cent.)	Per Cent.
Total (Average)	Total (Average)	115	$8,727,682	$7,474	$0.09		100.0
	Under $40	24	765,022	733	0.10		111.1
	$40 to $80	54	3,024,115	2,922	0.10		111.1
	$80 to $180	32	3,729,537	2,570	0.07		77.8
	$180 & over	5	1,209,008	1,249	0.10		111.1
Under 40	Total (Average)	105	7,302,920	5,972	0.08		88.9
	Under $40	24	765,022	733	0.10		111.1
	$40 to $80	51	2,830,804	2,581	0.09		100.0
	$80 to $180	27	3,077,798	2,000	0.06		66.7
	$180 & over	3	629,296	658	0.10		111.1
40 and over	Total (Average)	10	1,424,762	1,502	0.11		122.2
	Under $40	-	-	-	-		-
	$40 to $80	3	193,311	341	0.18		200.0
	$80 to $180	5	651,739	570	0.09		100.0
	$180 & over	2	579,712	591	0.10		111.1



picture advertising per $100 of total net sales was $0.09 in 1919; $0.11 in 1918; and $0.10 in 1914. It may be noted that comparatively few stores used this type of advertising in 1914.

The data on expenditures for moving picture advertising are meagre for the individual years 1919, 1918, and 1914. The amounts, per unit of total net sales, are so small as hardly to justify extended comment. From a comparison of the tables bearing upon this expenditure, however, three conclusions seem to follow: First, the amount increased between 1914 and 1918, and decreased between 1918 and 1919. Second, generally speaking, the amounts decrease as the size of the store increases. There are many exceptions to this rule, however, and these the reader may see for himself by consulting the tables. Third, stores in large cities spend, on the average, more for this purpose in terms of total net sales than do stores in small cities.

TABLE 73

RELATION OF EXPENDITURES FOR MOVING PICTURE ADVERTISING TO TOTAL NET SALES FOR STORES CLASSIFIED BY SIZE AND BY SIZE OF CITY, 1918

Size of City (in 000's)	Classified Total Net Sales (in 000's)	Stores Reporting Expenditures for Moving Picture Advertising: Number	Total Net Sales	Moving Pictures	Amount per $100 of Total Net Sales	Ratio Which Amount of Expenditures for Moving Picture Advertising per $100 of Total Net Sales for Stores of Different Size, is of the Amount for All Stores (Per Cent.)	Per Cent.
Total (Average)	Total (Average)	90	$4,986,479	$5,453	$0.11		100.0
	Under $40	39	1,053,136	1,396	0.13		118.2
	$40 to $80	34	2,006,372	1,749	0.09		81.8
	$80 to $160	16	1,652,898	1,408	0.09		81.8
	$160 & over	1	274,073	900	0.33		300.0
Under 40	Total (Average)	82	4,125,661	3,965	0.10		90.9
	Under $40	39	1,053,136	1,396	0.13		118.2
	$40 to $80	30	1,738,019	1,482	0.09		81.8
	$80 to $160	13	1,334,506	1,085	0.08		72.7
	$160 & over	-	-	-	-		-
40 and over	Total (Average)	8	860,818	1,488	0.17		154.5
	Under $40	-	-	-	-		-
	$40 to $80	4	268,353	267	0.10		90.9
	$80 to $160	3	318,392	323	0.10		90.9
	$160 & over	1	274,073	900	0.33		300.0

Per Cent. 0 40 80 120 160 200 240 280 320 360

Average $0.11

TABLE 74

RELATION OF EXPENDITURES FOR MOVING PICTURE ADVERTISING TO TOTAL NET SALES FOR STORES CLASSIFIED BY SIZE AND BY SIZE OF CITY, 1914

Size of City (in 000's)	Classified Total Net Sales (in 000's)	Stores Reporting Expenditures for Moving Picture Advertising: Number	Total Net Sales	Moving Pictures	Amount per $100 of Total Net Sales	Ratio Which Amount of Expenditures for Moving Picture Advertising per $100 of Total Net Sales for Stores of Different Size, is of the Amount for All Stores (Per Cent.)	Per Cent.
Total (Average)	Total (Average)	50	$1,673,736	$1,649	$0.10		100.0
	Under $40	35	867,707	1,059	0.12		120.0
	$40 to $80	15	806,029	590	0.07		70.0
	$80 to $160	-	-	-	-		-
	$160 & over	-	-	-	-		-
Under 40	Total (Average)	49	1,644,064	1,549	0.09		90.0
	Under $40	34	838,035	959	0.11		110.0
	$40 to $80	15	806,029	590	0.07		70.0
	$80 to $160	-	-	-	-		-
	$160 & over	-	-	-	-		-
40 and over	Total (Average)	1	29,672	100	0.34		340.0
	Under $40	1	29,672	100	0.34		340.0
	$40 to $80	-	-	-	-		-
	$80 to $160	-	-	-	-		-
	$160 & over	-	-	-	-		-

Per Cent. 0 40 80 120 160 200 240 280 320 360

Average $0.10

B.—Yearly Expenditures for Moving Picture Advertising per $100 of Total Advertising Expense.

The stores reporting expenditures for moving picture advertising spend for this purpose, on the average, for 1919, 1918, and 1914 combined, $4.76 out of every $100 of total advertising expense. This average is based upon the experience of 255 store-years. The amounts decrease as the size of the store increases, and vary from $7.50 for the stores with sales under $40,000, to $3.29 for those with sales between $80,000 and $180,000. The small number of reports, for this item, from cities with population of 40,000 and over prevents significant comparison of the amounts for the city-groups.

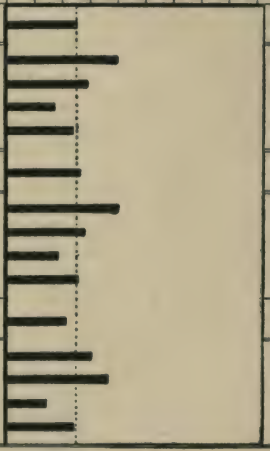
Table 75 shows, for stores classified by size and by location, the amounts of expenditure for moving picture advertising in proportion to total advertising expense, for 1919, 1918, and 1914 combined.

Tables 76, 77, and 78 show for 1919, 1918, and 1914, respectively, the amounts of expenditure for moving picture advertising per $100 of total advertising expense. The average was $4.27 for 1919; $5.54 for 1918; and

TABLE 75

RELATION OF EXPENDITURES FOR MOVING PICTURE ADVERTISING TO TOTAL ADVERTISING FOR STORES CLASSIFIED BY SIZE AND BY SIZE OF CITY, 1919, 1918, AND 1914, COMBINED

Size of City (in 000's)	Classified Total Net Sales (in 000's)	Stores Reporting Expenditures for Moving Picture Advertising: Number of Store-years	Total Advertising	Moving Pictures	Amount per $100 of Total Advertising	Ratio Which Amount of Expenditures for Moving Picture Advertising per $100 of Total Advertising for Stores of Different Size, is of the Amount for All Stores (Per Cent.)	Per Cent.
	Total (Average)	255	$306,065	$14,576	$4.76		100.0
Total (Average)	Under $40	98	42,499	3,188	7.50		157.6
	$40 to $80	103	96,240	5,261	5.47		114.9
	$80 to $180	48	120,973	3,978	3.29		69.1
	$180 & over	6	46,353	2,149	4.64		95.5
	Total (Average)	236	230,012	11,484	4.99		104.8
Under 40	Under $40	97	40,785	3,088	7.57		159.0
	$40 to $80	96	87,478	4,653	5.32		111.8
	$80 to $180	40	88,121	3,085	3.50		73.5
	$180 & over	3	13,628	658	4.83		101.5
	Total (Average)	19	76,053	3,092	4.07		85.5
40 and over	Under $40	1	1,714	105	5.83		122.5
	$40 to $80	7	8,762	658	8.94		143.8
	$80 to $180	8	32,852	893	2.72		57.1
	$180 & over	3	32,725	1,491	4.56		95.8



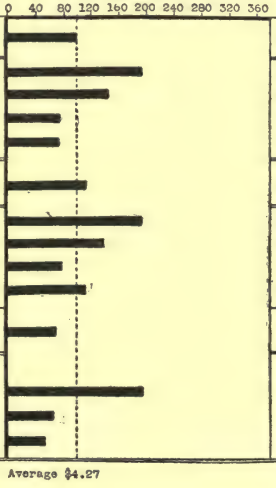
$5.04 for 1914. That is, the amounts increased between 1914 and 1918, and decreased between 1918 and 1919. The small number of stores which reported facts for 1914, however, makes this year unsatisfactory as a basis for comparison. In this respect, 1918 more properly may be said to represent conditions which obtain in stores of different size and location. The nature of the data, however, makes it difficult to compare one year with another and the reader is cautioned against assigning more than a general significance to the detail which are supplied. For a given group of stores, as classified, the averages from year to year may be used to indicate the proportion which expenditures for moving picture advertising constitute of total advertising expense. In using the data, however, only limited significance should be attached to the figures which are given for groups containing few stores. The tables are inserted with the hope that they may be of value in indicating, in a general way, the amounts spent for moving picture advertising, and in showing the relationship which these bear to total advertising expense.

It should be remembered that, while the ratios seem to be erratic

TABLE 76

RELATION OF EXPENDITURES FOR MOVING PICTURE ADVERTISING TO TOTAL ADVERTISING FOR STORES CLASSIFIED BY SIZE AND BY SIZE OF CITY, 1919

Size of City (in 000's)	Classified Total Net Sales (in 000's)	Stores Reporting Expenditures for Moving Picture Advertising: Number	Total Advertising	Moving Pictures	Amount per $100 of Total Advertising	Ratio Which Amount of Expenditures for Moving Picture Advertising per $100 of Total Advertising for Stores of Different Size, is of the Amount for All Stores (Per Cent.)	Per Cent.
Total (Average)	Total (Average)	115	$174,970	$7,474	$4.27		100.0
	Under $40	24	8,818	733	8.31		194.6
	$40 to $80	54	47,090	2,922	6.21		145.4
	$80 to $180	32	79,389	2,570	3.24		75.9
	$180 & over	5	39,673	1,249	3.15		73.8
Under 40	Total (Average)	105	124,241	5,972	4.81		112.6
	Under $40	24	8,818	733	8.31		194.6
	$40 to $80	51	42,962	2,581	6.01		140.7
	$80 to $180	27	58,833	2,000	3.40		79.6
	$180 & over	3	13,628	658	4.83		113.1
40 and over	Total (Average)	10	50,729	1,502	2.96		69.3
	Under $40	-	-	-	-		-
	$40 to $80	3	4,128	341	8.26		193.4
	$80 to $180	5	20,556	570	2.77		64.9
	$180 & over	2	26,045	591	2.27		53.2



from store-group to store-group, and from year to year, they include only those stores which reported both their total advertising expense and advertising expense for this particular purpose. In that respect, they fulfill the conditions which have been adhered to in the analysis of the data in the various volumes in this study. The fact that certain stores restrict their advertising to a single method lessens the significance of any average for such stores. With these facts in mind, the data should be used with care and discrimination.

From the details in Tables 75 to 78, inclusive, one may conclude that: First, the amounts expended for advertising by means of moving pictures, when they are expressed per unit of total advertising expense, increased between 1914 and 1918, and decreased between 1918 and 1919. Second, based upon the experiences of the combined years, they decrease as stores increase in size.

TABLE 77

RELATION OF EXPENDITURES FOR MOVING PICTURE ADVERTISING TO TOTAL ADVERTISING FOR STORES CLASSIFIED BY SIZE AND BY SIZE OF CITY, 1918

Size of City (in 000's)	Classified Total Net Sales (in 000's)	Stores Reporting Expenditures for Moving Picture Advertising: Number	Total Advertising	Moving Pictures	Amount per $100 of Total Advertising	Ratio Which Amount of Expenditures for Moving Picture Advertising per $100 of Total Advertising for Stores of Different Size, is of the Amount for All Stores: Per Cent.
Total (Average)	Total (Average)	90	$98,348	$5,453	$5.54	100.0
	Under $40	39	16,155	1,396	8.64	156.0
	$40 to $80	34	33,929	1,749	5.15	93.0
	$80 to $180	16	41,584	1,408	3.39	61.2
	$180 & over	1	6,680	900	13.47	243.1
Under 40	Total (Average)	82	74,738	3,693	4.94	89.2
	Under $40	39	16,155	1,396	8.64	156.0
	$40 to $80	30	29,295	1,482	5.06	91.3
	$80 to $180	13	29,288	1,085	3.70	66.8
	$180 & over	-	-	-	-	-
40 and over	Total (Average)	8	23,610	1,490	6.31	113.9
	Under $40	-	-	-	-	-
	$40 to $80	4	4,634	267	5.76	104.0
	$80 to $180	3	12,296	323	2.63	47.5
	$180 & over	1	6,680	900	13.47	243.1

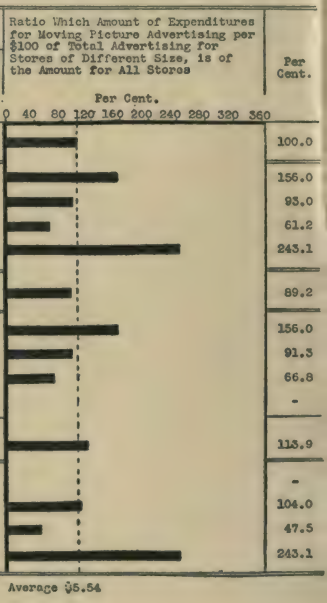
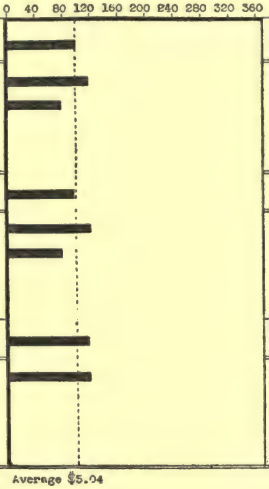


TABLE 78

RELATION OF MOVING PICTURE ADVERTISING TO TOTAL ADVERTISING FOR STORES CLASSIFIED BY SIZE AND BY SIZE OF CITY, 1914

Size of City (in 000's)	Classified Total Net Sales (in 000's)	Stores Reporting Expenditures for Moving-Picture Advertising: Number	Total Advertising	Moving Pictures	Amount per $100 of Total Advertising	Ratio Which Amount of Expenditures for Moving Picture Advertising per $100 of Total Advertising for Stores of Different Size, is of the Amount for All Stores (Per Cent.)	Per Cent.
Total (Average)	Total (Average)	50	$32,747	$1,649	$5.04		100.0
	Under $40	35	17,526	1,059	6.04		119.8
	$40 to $80	15	15,221	590	3.88		77.0
	$80 to $180	-	-	-	-		-
	$180 & over	-	-	-	-		-
Under 40	Total (Average)	49	31,033	1,549	4.99		99.0
	Under $40	34	15,812	959	6.07		120.4
	$40 to $80	15	15,221	590	3.88		77.0
	$80 to $180	-	-	-	-		-
	$180 & over	-	-	-	-		-
40 and over	Total (Average)	1	1,714	100	5.83		115.7
	Under $40	1	1,714	100	5.83		115.7
	$40 to $80	-	-	-	-		-
	$80 to $180	-	-	-	-		-
	$180 & over	-	-	-	-		-



7.—YEARLY EXPENDITURES FOR ADVERTISING IN PROGRAMS, COLLEGE PAPERS, ETC., PER $100 OF TOTAL NET SALES AND PER $100 OF TOTAL ADVERTISING EXPENSE, 1919, 1918, AND 1914.

This expenditure includes costs of advertising in programs, college, fraternity, and lodge papers.

A.—Yearly Expenditures for Advertising in Programs, College Papers, etc., per $100 of Total Net Sales.

On the basis of an experience of 286 store-years, for 1919, 1918, and 1914, combined, the average expenditure for advertising in programs, college papers, etc., per $100 of total net sales, is $0.10. For 1919, the amount was $0.10; for 1918, $0.10; and for 1914, $0.13.

Stores located in large cities spend more for this type of advertising, both in actual amounts per store and in proportion to their sales, than do stores of similar size located in small cities. The stores with sales between $80,000 and $180,000 may be cited to illustrate this point. In cities of less than 40,000 population, with an experience covering 44 store-years, for 1919, 1918, and 1914 combined, the

stores of this size paid, on the average, for this type of advertising, $84 or $0.08 per $100 of total net sales. In cities with population of 40,000 and over, the average amount per store, for 30 store-years, was $150 or $0.12 per $100 of sales.

When stores are classified by size as well as by location, the ratios of expenditures for advertising in programs, college papers, etc., to sales are higher for the small than for the large stores. This condition holds for both small and large cities, if the 2 stores with sales of $180,000 and over, located in small cities, are disregarded.

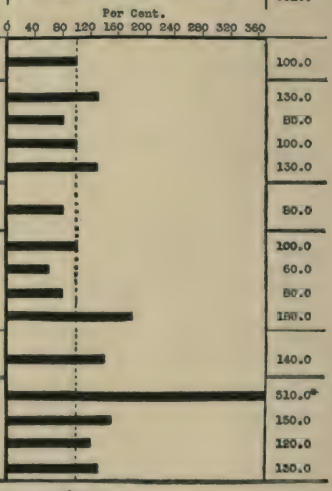
The relations of expenditures for advertising in programs, college papers, etc., to total net sales, for stores classified by size and location, for 1919, 1918, and 1914 combined, are shown in Table 79.

Tables 80, 81, and 82 show for 1919, 1918, and 1914, respectively, the amounts corresponding to those shown in Table 79 for the three years combined. When the stores are unclassified, the amounts show a decrease between 1914 and 1918, and

TABLE 79

RELATION OF EXPENDITURES FOR ADVERTISING IN PROGRAMS, COLLEGE PAPERS, ETC., TO TOTAL NET SALES FOR STORES CLASSIFIED BY SIZE AND BY SIZE OF CITY, 1919, 1918, AND 1914, COMBINED

Size of City (in 000's)	Classified Total Net Sales (in 000's)	Stores Reporting Expenditures for Advertising in College Papers and Programs: Number of Store-years	Total Net Sales	College Papers and Programs	Amount per $100 of Total Net Sales	Ratio Which Amount of Expenditures for Advertising in College Papers and Programs per $100 of Total Net Sales for Stores of Different Size, is of the Amount for All Stores: Per Cent.	Per Cent.
Total (Average)	Total (Average)	286	$21,965,634	$22,796	$0.10		100.0
	Under $40	84	2,245,885	3,016	0.13		130.0
	$40 to $80	111	6,446,207	5,362	0.08		80.0
	$80 to $180	74	8,497,231	8,190	0.10		100.0
	$180 & over	17	4,776,311	6,228	0.13		130.0
Under 40	Total (Average)	214	12,498,997	9,908	0.08		80.0
	Under $40	77	2,069,230	2,108	0.10		100.0
	$40 to $80	91	5,126,955	3,324	0.06		60.0
	$80 to $180	44	4,869,725	3,696	0.08		80.0
	$180 & over	2	433,087	780	0.18		180.0
40 and over	Total (Average)	72	9,466,637	12,888	0.14		140.0
	Under $40	7	176,655	900	0.51		510.0*
	$40 to $80	20	1,319,252	2,038	0.15		150.0
	$80 to $180	30	3,627,506	4,494	0.12		120.0
	$180 & over	15	4,343,224	5,448	0.13		130.0



*Full length of line not shown

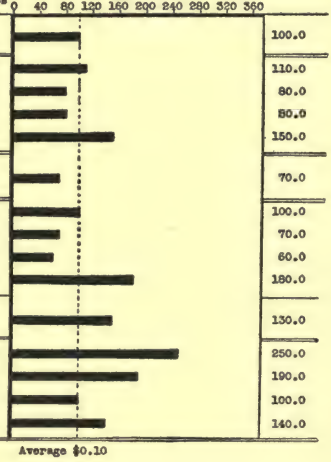
remain constant for 1918 and 1919. When they are classified by the size of the cities in which they are located, the averages for those in the small cities decrease from year to year, while the averages for those in large cities decrease between 1914 and 1918, and remain constant between 1918 and 1919.

From an analysis of Tables 79 to

TABLE 80

RELATION OF EXPENDITURES FOR ADVERTISING IN PROGRAMS, COLLEGE PAPERS, ETC., TO TOTAL NET SALES FOR STORES CLASSIFIED BY SIZE AND BY SIZE OF CITY, 1919

Size of City (in 000's)	Classified Total Net Sales (in 000's)	Stores Reporting Expenditures for Advertising in College Papers and Programs: Number	Total Net Sales	College Papers and Programs	Amount per $100 of Total Net Sales	Ratio Which Amount of Expenditures for Advertising in College Papers and Programs per $100 of Total Net Sales for Stores of Different Size, is of the Amount for All Stores (Per Cent.)	Per Cent.
Total (Average)	Total (Average)	126	$12,619,086	$11,769	$0.10		100.0
	Under $40	20	567,753	652	0.11		110.0
	$40 to $80	50	2,890,311	2,449	0.08		80.0
	$80 to $180	46	5,478,973	4,183	0.08		80.0
	$180 & over	10	3,082,949	4,485	0.15		150.0
Under 40	Total (Average)	94	6,791,722	4,956	0.07		70.0
	Under $40	18	517,956	527	0.10		100.0
	$40 to $80	44	2,471,871	1,651	0.07		70.0
	$80 to $180	30	3,368,808	1,998	0.06		60.0
	$180 & over	2	433,087	780	0.18		180.0
40 and over	Total (Average)	32	5,827,364	6,813	0.13		130.0
	Under $40	2	49,797	125	0.25		250.0
	$40 to $80	6	418,440	798	0.19		190.0
	$80 to $180	16	2,109,265	2,185	0.10		100.0
	$180 & over	8	2,649,862	3,705	0.14		140.0

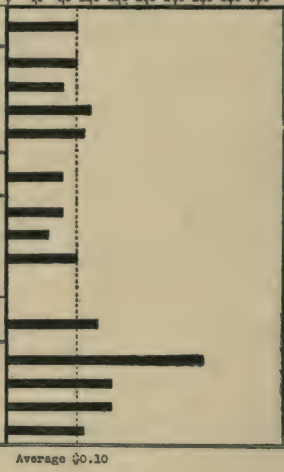


82, inclusive, certain conclusions follow: First, in terms of total net sales, the amounts spent for advertising in programs and college papers roughly average $0.10 per $100 of total net sales. The amounts decreased between 1914 and 1918, but remained constant between 1918 and 1919. Second, stores located in cities with population under 40,000, spend, on the average, less for this purpose in terms of total net sales than do stores located in cities with population of 40,000 and over. Third, the average amounts spent for this purpose in terms of net sales are larger for small than for large stores, although to this general principle there are many exceptions.

TABLE 81

RELATION OF EXPENDITURES FOR ADVERTISING IN PROGRAMS, COLLEGE PAPERS, ETC., TO TOTAL NET SALES FOR STORES CLASSIFIED BY SIZE AND BY SIZE OF CITY, 1918

Size of City (in 000's)	Classified Total Net Sales (in 000's)	Stores Reporting Expenditures for Advertising in College Papers and Programs: Number	Total Net Sales	College Papers and Programs	Amount per $100 of Total Net Sales	Ratio Which Amount of Expenditures for Advertising in College Papers and Programs per $100 of Total Net Sales for Stores of Different Size, is of the Amount for All Stores (Per Cent.)	Per Cent.
Total (Average)	Total (Average)	101	$7,219,556	$7,367	$0.10		100.0
	Under $40	31	822,780	767	0.10		100.0
	$40 to $80	41	2,449,007	2,004	0.08		80.0
	$80 to $180	23	2,435,407	2,933	0.12		120.0
	$180 & over	6	1,512,362	1,643	0.11		110.0
Under 40	Total (Average)	73	3,964,109	3,047	0.08		80.0
	Under $40	29	774,321	652	0.08		80.0
	$40 to $80	31	1,783,450	907	0.06		60.0
	$80 to $180	13	1,406,338	1,398	0.10		100.0
	$180 & over	-	-	-	-		-
40 and over	Total (Average)	28	3,255,447	4,320	0.13		130.0
	Under $40	2	48,459	135	0.28		280.0
	$40 to $80	10	665,557	1,007	0.15		150.0
	$80 to $180	10	1,029,069	1,535	0.15		150.0
	$180 & over	6	1,512,362	1,643	0.11		110.0



B.—Yearly Expenditures for Advertising in Programs, College Papers, etc., per $100 of Total Advertising Expense.

Stores reporting the cost of their advertising in programs, college papers, etc., spend for this purpose, on the average, $4.38 out of every $100 of total advertising expense. This average is based upon an experience of 286 store-years for 1919, 1918, and 1914 combined. The amounts decrease as the stores grow larger. This holds true for all stores, irrespective of location, as well as for stores located in cities of varying size. When stores are classified by size, as in the upper part of Table 83, the amounts decrease from $7.59 for stores with sales under $40,000, to $3.52 for those with sales of $180,000 and over. The average for the small stores is 2.2 times as large as the average for the large stores. Stores in small cities, on the average, spend for advertising of this kind more in proportion to their total advertising expense than do stores which are located in large cities, the averages for the stores in small and large cities being, respectively, $4.76 and $4.13. In actual amounts spent per store, however, the reverse condition holds.

TABLE 82

RELATION OF EXPENDITURES FOR ADVERTISING IN PROGRAMS, COLLEGE PAPERS, ETC., TO TOTAL NET SALES FOR STORES CLASSIFIED BY SIZE AND BY SIZE OF CITY, 1914

Size of City (in 000's)	Classified Total Net Sales (in 000's)	Stores Reporting Expenditures for Advertising in College Papers and Programs: Number	Total Net Sales	College Papers and Programs	Amount per $100 of Total Net Sales	Ratio Which Amount of Expenditures for Advertising in College Papers and Programs per $100 of Total Net Sales for Stores of Different Size, is of the Amount for All Stores: Per Cent.	Per Cent.
Total (Average)	Total (Average)	59	$2,726,992	$3,660	$0.13		100.0
	Under $40	33	865,352	1,577	0.18		138.5
	$40 to $80	20	1,106,889	909	0.08		61.5
	$80 to $180	5	583,751	1,074	0.18		138.5
	$180 & over	1	181,000	100	0.06		46.2
Under 40	Total (Average)	47	1,743,166	1,905	0.11		84.6
	Under $40	30	776,953	929	0.12		92.3
	$40 to $80	16	871,634	676	0.08		61.5
	$80 to $180	1	94,579	300	0.32		246.2
	$180 & over	-	-	-	-		-
40 and over	Total (Average)	12	983,826	1,755	0.18		138.5
	Under $40	3	78,399	648	0.83		638.5*
	$40 to $80	4	235,255	233	0.10		76.9
	$80 to $180	4	489,172	774	0.16		123.1
	$180 & over	1	181,000	100	0.06		46.2

Per Cent. 0 40 80 120 160 200 240 280 320 360

Average $0.13

*Full length of line not shown

Table 83 shows, for stores classified by size and location, the amounts of expenditure for advertising in programs, college papers, etc., per $100 of total advertising expense, for 1919, 1918, and 1914 combined.

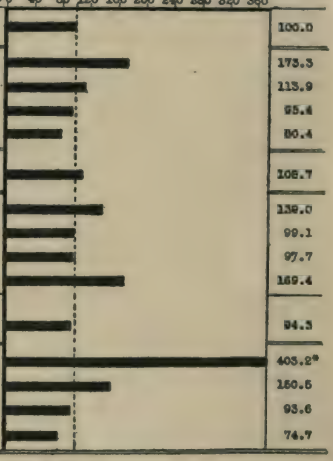
Table 84 contains data similar to those in Table 83, but they apply to the year 1919. For this year, the average amount of expenditure for advertising in programs, college papers, etc., is $4.22 as contrasted with $4.38 for the combined years. The amount spent by stores in the small cities is $4.47 as contrasted with $4.06 spent during this year by stores located in cities with 40,000 and over population.

Tables 85 and 86 show, for 1918 and 1914, respectively, the relations of expenditures for advertising in programs, college papers, etc., to total advertising expense. The average for 1918, for 101 stores, was $4.12. The corresponding amount for 73 stores located in small cities was $4.71; and for 28 stores located in large cities, $3.78. The amounts for this year fol-

TABLE 83

RELATION OF EXPENDITURES FOR ADVERTISING IN PROGRAMS, COLLEGE PAPERS, ETC., TO TOTAL ADVERTISING FOR STORES CLASSIFIED BY SIZE AND BY SIZE OF CITY, 1919, 1918, AND 1914, COMBINED

Size of City (in 000's)	Classified Total Net Sales (in 000's)	Stores Reporting Expenditures for Advertising in College Papers and Programs: Number of Store-years	Total Advertising	College Papers and Programs	Amount per $100 of Total Advertising	Ratio Which Amount of Expenditures for Advertising in College Papers and Programs per $100 of Total Advertising for Stores of Different Size, is of the Amount for All Stores (Per Cent.)	Per Cent.
Total (Average)	Total (Average)	286	$520,402	$22,796	$4.38		100.0
Total (Average)	Under $40	84	39,746	3,016	7.59		173.3
	$40 to $80	111	107,517	5,362	4.99		113.9
	$80 to $180	74	196,013	8,190	4.18		95.4
	$180 & over	17	177,126	6,228	3.52		80.4
Under 40	Total (Average)	214	208,001	9,908	4.76		108.7
	Under $40	77	34,605	2,108	6.09		139.0
	$40 to $80	91	76,592	3,324	4.34		99.1
	$80 to $180	44	86,291	3,696	4.28		97.7
	$180 & over	2	10,513	780	7.42		169.4
40 and over	Total (Average)	72	312,401	12,888	4.13		94.3
	Under $40	7	5,141	908	17.66		403.2*
	$40 to $80	20	30,925	2,038	6.59		150.5
	$80 to $180	30	109,722	4,494	4.10		93.6
	$180 & over	15	166,613	5,448	3.27		74.7



*Full length of line not shown

low the tendencies noted for 1919.

A comparison of Tables 83 to 86, inclusive, seems to support the following conclusions: First, the amounts spent for advertising by means of programs, college papers, etc., decreased between 1914 and 1918, and increased between 1918 and 1919. Second, the stores in small cities spend more, on the average, for this purpose than stores in large cities. This condition holds for the combined and for the individual years. Third, the amounts, in terms of total advertising expense, are larger for the small stores than for the large stores, notwithstanding the fact that the actual amounts spent by the large stores are greater than the amounts spent by the small stores.

8.—SUMMARY.

The above discussion does not include all of the methods of advertising for which expenditures were reported. Several methods have been omitted for two reasons: First, ex-

TABLE 84

RELATION OF EXPENDITURES FOR ADVERTISING IN PROGRAMS, COLLEGE PAPERS, ETC., TO TOTAL ADVERTISING FOR STORES CLASSIFIED BY SIZE AND BY SIZE OF CITY, 1919

Size of City (in 000's)	Classified Total Net Sales (in 000's)	Stores Reporting Expenditures for Advertising in College Papers and Programs: Number	Total Advertising	College Papers and Programs	Amount per $100 of Total Advertising	Ratio Which Amount of Expenditures for Advertising in College Papers and Programs per $100 of Total Advertising for Stores of Different Size, is of the Amount for All Stores: Per Cent.
Total (Average)	Total (Average)	126	$278,767	$11,769	$4.22	100.0
Total (Average)	Under $40	20	7,541	652	8.65	205.0
	$40 to $80	50	47,092	2,449	5.20	123.2
	$80 to $180	46	111,863	4,183	3.74	88.6
	$180 & over	10	112,271	4,485	3.99	94.5
Under 40	Total (Average)	94	110,994	4,956	4.47	105.9
	Under $40	18	6,312	527	8.35	197.9
	$40 to $80	44	39,627	1,651	4.17	98.8
	$80 to $180	30	54,542	1,998	3.66	86.7
	$180 & over	2	10,513	780	7.42	175.8
40 and over	Total (Average)	32	167,773	6,813	4.06	96.2
	Under $40	2	1,229	125	10.17	241.0
	$40 to $80	6	7,465	798	10.69	253.3
	$80 to $180	16	57,321	2,185	3.81	90.3
	$180 & over	8	101,758	3,705	3.64	86.3

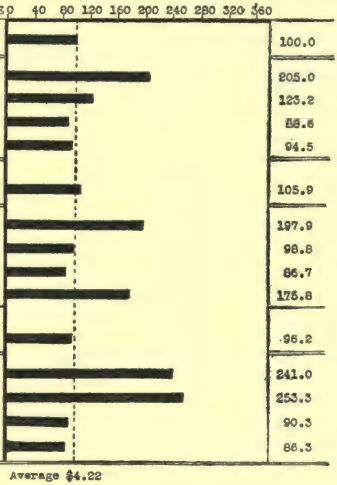


TABLE 85

RELATION OF EXPENDITURES FOR ADVERTISING IN PROGRAMS, COLLEGE PAPERS, ETC., TO TOTAL ADVERTISING FOR STORES CLASSIFIED BY SIZE AND BY SIZE OF CITY, 1918

Size of City (in 000's)	Classified Total Net Sales (in 000's)	Stores Reporting Expenditures for Advertising in College Papers and Programs: Number	Total Advertising	College Papers and Programs	Amount per $100 of Total Advertising	Ratio Which Amount of Expenditures for Advertising in College Papers and Programs per $100 of Total Advertising for Stores of Different Size, is of the Amount for All Stores: Per Cent.
Total (Average)	Total (Average)	101	$179,008	$7,367	$4.12	100.0
Total (Average)	Under $40	31	13,537	767	5.81	141.0
	$40 to $80	41	40,435	2,004	4.96	120.4
	$80 to $180	23	64,681	2,933	4.53	110.0
	$180 & over	6	60,355	1,643	2.72	66.0
Under 40	Total (Average)	73	64,706	3,047	4.71	114.3
	Under $40	29	12,490	652	5.22	126.7
	$40 to $80	31	24,555	997	4.06	98.5
	$80 to $180	13	27,661	1,398	5.05	122.6
	$180 & over	-	-	-	-	-
40 and over	Total (Average)	28	114,302	4,320	3.78	91.7
	Under $40	2	1,047	135	12.89	312.9
	$40 to $80	10	15,880	1,007	6.34	153.9
	$80 to $180	10	37,020	1,535	4.15	100.7
	$180 & over	6	60,355	1,643	2.72	66.0

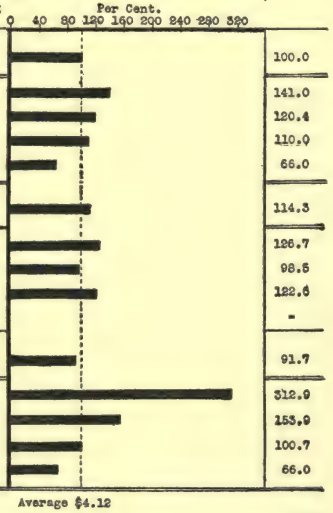
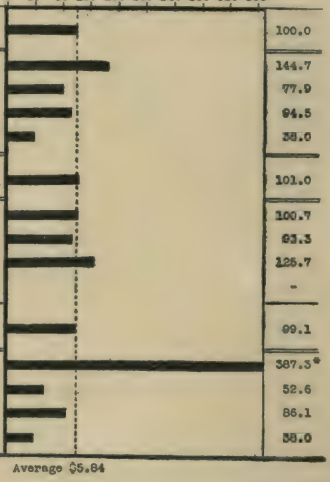


TABLE 86

RELATION OF EXPENDITURES FOR ADVERTISING IN PROGRAMS, COLLEGE PAPERS, ETC., TO TOTAL ADVERTISING FOR STORES CLASSIFIED BY SIZE AND BY SIZE OF CITY, 1914

Size of City (in 000's)	Classified Total Net Sales (in 000's)	Stores Reporting Expenditures for Advertising in College Papers and Programs: Number	Total Advertising	College Papers and Programs	Amount per $100 of Total Advertising	Ratio Which Amount of Expenditures for Advertising in College Papers and Programs per $100 of Total Advertising for Stores of Different Size, is of the Amount for All Stores: Per Cent.	Par Cent.
Total (Average)	Total (Average)	59	$62,627	$3,660	$5.84		100.0
Total (Average)	Under $40	33	18,668	1,577	8.45		144.7
	$40 to $80	20	19,990	909	4.55		77.9
	$80 to $180	5	19,469	1,074	5.52		94.5
	$180 & over	1	4,500	100	2.22		38.0
Under 40	Total (Average)	47	32,301	1,905	5.90		101.0
	Under $40	30	15,803	929	5.88		100.7
	$40 to $80	16	12,410	676	5.45		93.3
	$80 to $180	1	4,088	300	7.34		125.7
	$180 & over	-	-	-	-		-
40 and over	Total (Average)	12	30,326	1,755	5.79		99.1
	Under $40	3	2,865	648	22.62		387.3*
	$40 to $80	4	7,580	233	3.07		52.6
	$80 to $180	4	15,381	774	5.03		86.1
	$180 & over	1	4,500	100	2.22		38.0



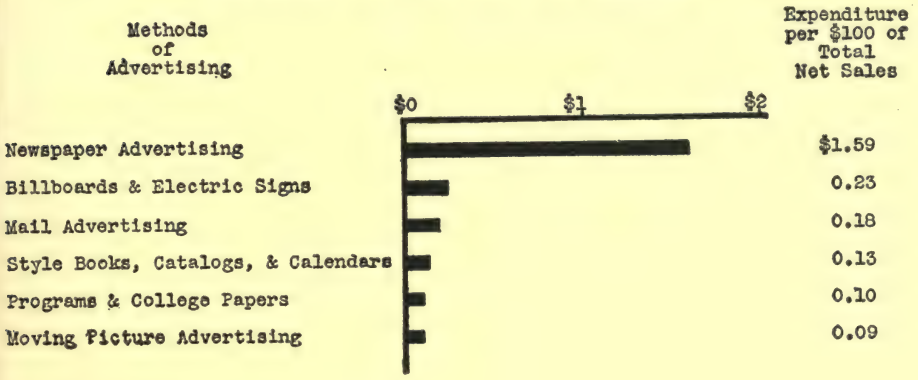
*Full length of line not shown

penditures for those omitted are both relatively and absolutely small; and second, because the number of stores for which the amounts could be segregated was not sufficient to give a significant average. The methods which have been treated show the main sources into which money for advertising goes, and indicate the actual amounts expended, both in terms of net sales, and total advertising expense.

Charts 1 and 2 may serve to summarize the main methods of advertising used by clothiers, and to indicate the amounts expended for these methods in terms of total net sales and total advertising expense. In Chart 1, the methods are listed according to the amounts spent when expressed per unit of total net sales. Chart 2 shows the same methods listed according to the amounts spent per $100 of total advertising expense.

CHART 1

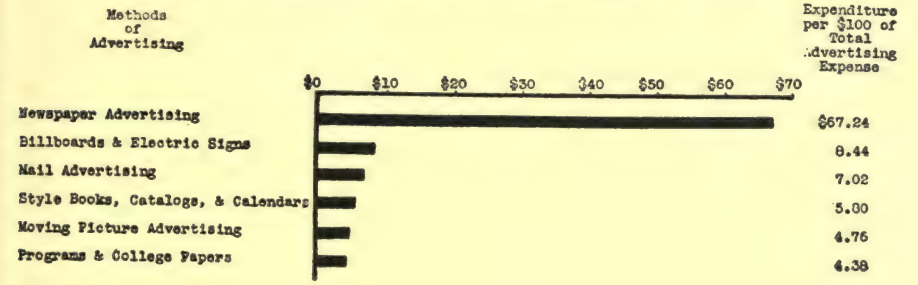
EXPENDITURES FOR SPECIFIED METHODS OF ADVERTISING PER $100 OF TOTAL NET SALES, 1919, 1918, AND 1914, COMBINED



*For the number of store-years upon which expenditures for each method of advertising are based, see Table 35.

CHART 2

EXPENDITURES FOR SPECIFIED METHODS OF ADVERTISING PER $100 OF TOTAL ADVERTISING EXPENSE, 1919, 1918, AND 1914, COMBINED



*For the number of store-years upon which expenditures for each method of advertising are based, see Table 35.

V. YEARLY EXPENDITURES FOR ADVERTISING PER $100 OF TOTAL NET SALES FOR STORES CLASSIFIED BY THE PROPORTION OF SALES OF MEN'S FURNISHINGS AND CLOTHING TO TOTAL NET SALES, AND BY NUMBER OF SUITS OF CLOTHES SOLD, 1919, 1918, AND 1914

FROM the advertising data furnished by retail clothing stores, it is possible to express the relationship which obtains in clothing stores in the years 1919, 1918, and 1914, between the amounts of advertising expenditure and the amounts of sales of men's furnishings and men's clothing, both expressed per $100 of total net sales. While it is impossible to say definitely that sales in each of the different years are directly attributable to the amount of advertising expenditure, it is not impossible to measure the relationship which obtains between them. The same observation applies to the relationship which obtains between the amounts spent for advertising and the number of suits of clothes sold in stores during these three years.

1.—YEARLY EXPENDITURES FOR ADVERTISING PER $100 OF TOTAL NET SALES FOR STORES CLASSIFIED BY THE AMOUNTS OF SALES OF MEN'S FURNISHINGS PER $100 OF TOTAL NET SALES.

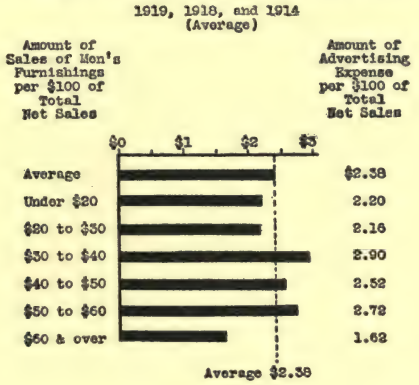
Chart 3 shows, for the years 1919, 1918, and 1914, individually and combined, the amount of advertising expenditures per $100 of total net sales in stores classified according to the amount of sales of men's furnishings per $100 of total net sales. This chart is introduced to test, for stores under consideration, the relationship, if any, which exists between the amount of advertising expense in terms of sales and the proportion which sales of furnishings are of the total net sales. Specifically, it brings out the following facts.

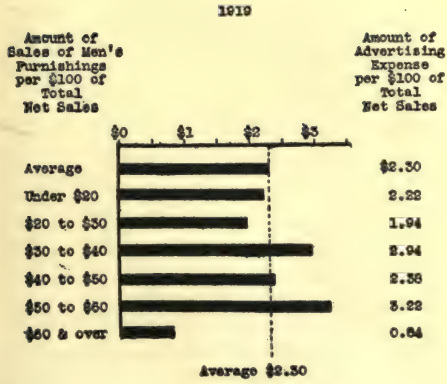
For the combined years, the average amount of advertising expense per $100 of total net sales for stores, irrespective of the amount of sales of men's furnishings per $100 of total net sales, is $2.38. Roughly, the amounts increase as the proportions of sales of men's furnishings to total net sales increase. This tendency is not uniform, although for the combined years it characterizes those stores in which the sales of men's furnishings constitute less than 40 per cent. of the total sales. For each of the individual years, the amounts increase as the proportions of sales of furnishings to total net sales increase. This, however, is not true for stores having more than approximately 40 to 50 per cent. of their sales represented by furnishings.

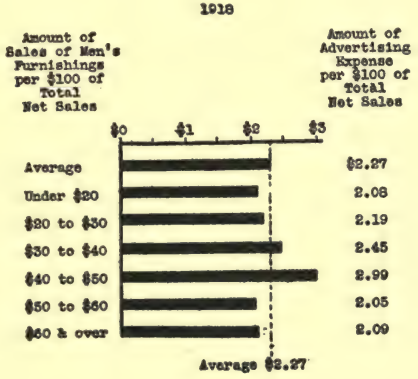
The use to which this chart may be put by merchants and others may be illustrated as follows: It gives a rough index of the amount of advertising expense per $100 of total net sales

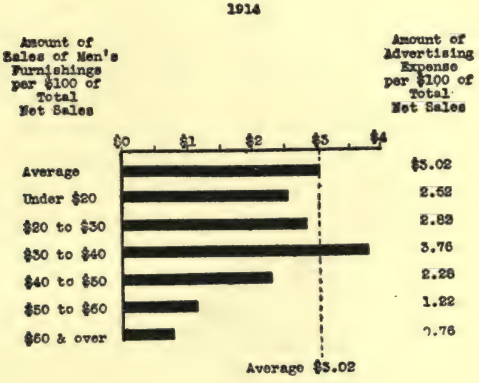
CHART 3

AMOUNT OF ADVERTISING EXPENSE PER $100 OF TOTAL NET SALES, FOR STORES CLASSIFIED BY AMOUNT OF SALES OF MEN'S FURNISHINGS PER $100 OF TOTAL NET SALES, 1919, 1918, AND 1914









which characterizes stores with different per cents of sales of furnishings to total net sales. For the three years combined, the average is $2.90. For 1919 it was $2.94; for 1918, $2.45; and for 1914, $3.76.

What is the average amount of sales of furnishings per $100 of total net sales which corresponds to a given amount of advertising expense per $100 of total net sales? The details in Chart 4 answer this question. For instance, the average amount of sales of furnishings, per $100 of total net sales, for stores which spent between $1.00 and $2.00 for advertising per $100 of total net sales, was $26.74. For those which spent between $2.00 and $3.00 for advertising, per $100 of total net sales, the corresponding amount was $27.27. While for those which spent $3.00 and over for advertising in terms of total net sales, the amount was $31.27. The details of this chart bear out the conclusion that, as the amounts of advertising expenditure per $100 of total net sales increase, the proportions of sales of men's furnishings per $100 of total net sales also increase. That is, there is a direct correlation between the amounts of advertising expenditures and the proportions which sales of men's furnishings constitute of total net sales. This correlation, however, is striking for the year 1919 only, and cannot be said to exist at all in 1914.

Of course, this association is due only in part to the proportion of total net sales which the sales of furnishings represent. The size of the stores, undoubtedly, is a significant factor. It will be remembered that the amounts of advertising expense per $100 of total net sales increase, and the percentages of furnishings to total net sales decrease as stores increase in size. The lack of more perfect association between the amounts of advertising and the proportion of furnishings to total net sales is probably due to this diverse tendency. It would have been interesting to have classified by size the stores handling different proportions of furnishings in relation to total net sales. The data, however, were too meagre for this purpose. What has been said above is introduced not to detract from the data supplied, but to explain more fully the association given in Charts 3 and 4.

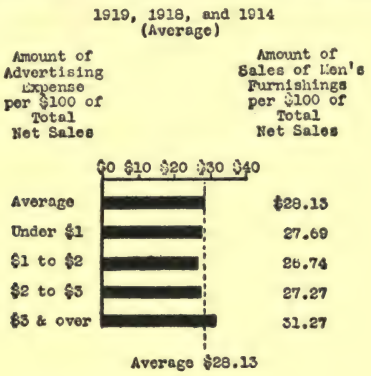
2.—YEARLY EXPENDITURES FOR ADVERTISING PER $100 OF TOTAL NET SALES FOR STORES CLASSIFIED BY THE AMOUNTS OF SALES OF MEN'S CLOTHING PER $100 OF TOTAL NET SALES.

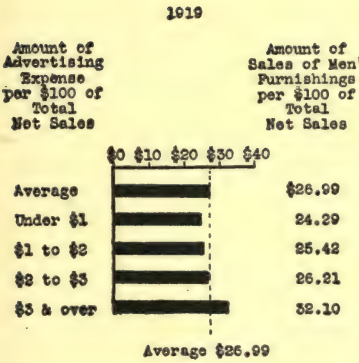
Charts 5 and 6 are constructed in the same way as Charts 3 and 4, but have reference to the amount of sales of men's clothing in terms of total net sales. In keeping with Charts 3 and 4, they show an unmistakable correlation between the amounts of advertising expense per $100 of total net sales and the proportion which sales of men's clothing constitute of total net sales.

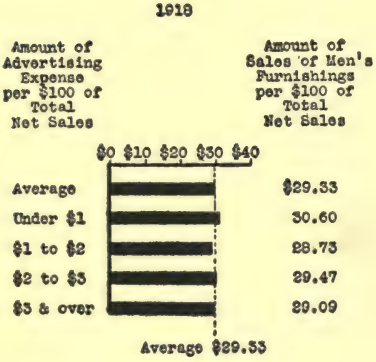
A higher degree of correlation than is shown in Charts 3 and 4 respecting

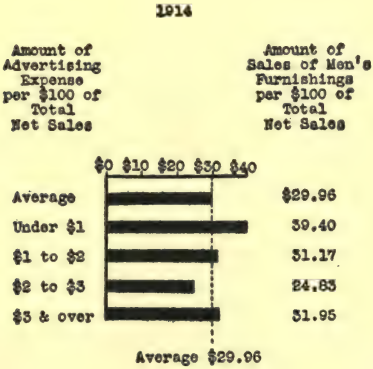
CHART 4

AMOUNT OF SALES OF MEN'S FURNISHINGS PER $100 OF TOTAL NET SALES, FOR STORES CLASSIFIED BY AMOUNT OF ADVERTISING EXPENSE PER $100 OF TOTAL NET SALES, 1919, 1918, AND 1914









furnishings is expected here because of two facts: First, the amounts of advertising per $100 of total net sales increase as the stores increase in size, and second, large stores sell relatively more clothing than furnishings. The result of comparing proportions of clothing sold with advertising expense per $100 of total net sales is to classify together stores with large advertising expense and relatively heavy proportions of clothing sales.

In Chart 5, the amounts of advertising expense per $100 of total net sales are shown for stores with different proportions of sales of men's clothing. For the combined years, and for each of the years, the fact is unmistakably brought out that the amounts spent for advertising per $100 of total net sales increase as the proportions of men's clothing to total net sales increase. The minimum amount of advertising expense in terms of sales—$1.51—applies to stores having less than 20 per cent. of their sales represented by sales of men's clothing. The amounts of advertising expense per $100 of total net sales regularly increase to $2.86 as a maximum—this amount characterizing stores which have between 50 and 60 per cent. of their sales represented by sales of men's clothing—and then decrease to $2.53 for those stores which have 60 per cent. and more of their sales represented by this type of merchandise.

In 1919, a similar correlation obtains between the amounts of advertising expense in terms of net sales and the proportions which clothing sales bear to total net sales. In 1918, the correlation is imperfect for two of the groups of stores, but is similar in general outline to the relationship which obtains for the three years combined and for 1919. Even for 1914, although the data refer to fewer stores and are probably less accurate than for either of the other years, the correlation is direct and indicative of an underlying principle.

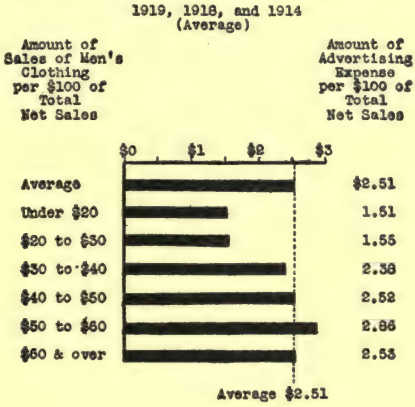
Chart 6 corresponds in make-up to Chart 5, but refers, as noted above, to stores classified according to the proportions which sales of men's clothing bear to total net sales. It enables one to make a comparison between the amount of sales of men's clothing per $100 of total net sales and a given amount of advertising expense expressed in the same unit. An inspection of the chart reveals the fact that as the amounts of advertising expense per $100 of total net sales increase, the amounts of sales of men's clothing, so expressed, also increase. It not only indicates this general tendency, but specifically sets out the proportions which correspond to each given amount of advertising expense.

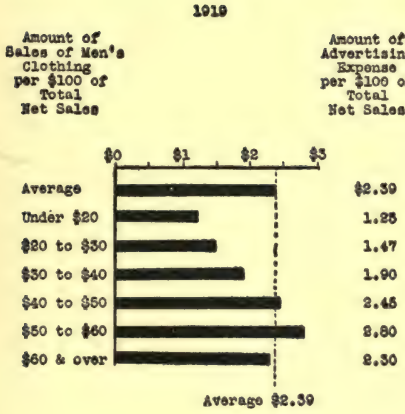
3.—YEARLY EXPENDITURES FOR ADVERTISING PER $100 OF TOTAL NET SALES FOR STORES CLASSIFIED BY THE NUMBER OF SUITS OF CLOTHES SOLD.

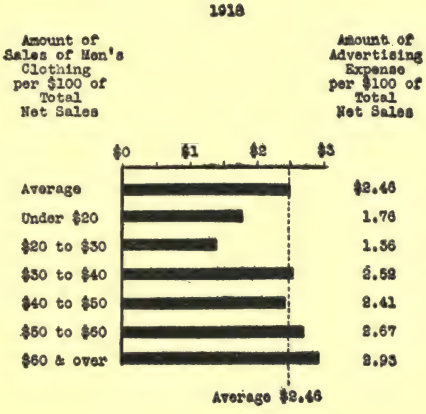
In contrast with Charts 3 to 6, inclusive, in which the amounts of advertising expense per $100 of total

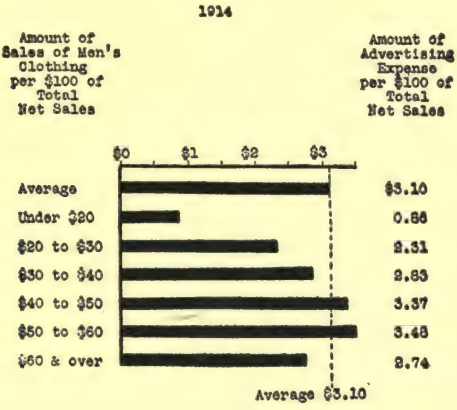
CHART 5

AMOUNT OF ADVERTISING EXPENSE PER $100 OF TOTAL NET SALES, FOR STORES CLASSIFIED BY AMOUNT OF SALES OF MEN'S CLOTHING PER $100 OF TOTAL NET SALES, 1919, 1918, AND 1914









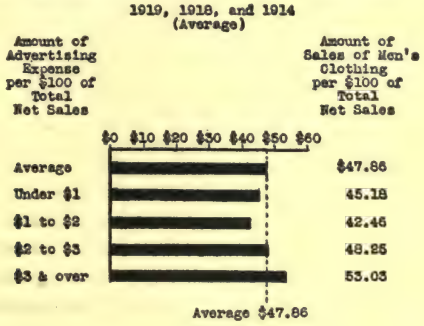
net sales are compared with the proportions which obtain between sales of both furnishings and clothing and total net sales, Chart 7 shows the number of suits of clothes sold per store and the corresponding classified amounts of advertising expense per $100 of total net sales. From this chart the following question may be answered: Does the number of suits of clothes sold per store increase as the amounts of advertising expenditure in terms of total net sales increase? Based upon the experience of the three years 1919, 1918, and 1914 combined, as well as of the individual years, this question may be answered affirmatively. The stores which spent, on the average, during 1919, 1918, and 1914 combined, less than $1.00 for advertising per $100 of total net sales, sold annually 478 suits, and those which spent between $1.00 and $2.00 sold 765. Those which spent between $2.00 and $3.00 sold 1,773, and those which spent $3.00 and over sold 1,819 suits. Even larger differences in the number of suits sold by stores with different amounts of advertising expense per $100 of total net sales obtain for the year 1919. This may or may not, of course, be due to advertising as such, but it is interesting to note that the two factors—increased sales and increased advertising expense—move together. The relationship between advertising and sales suggests, if it does not prove, a causal connection.

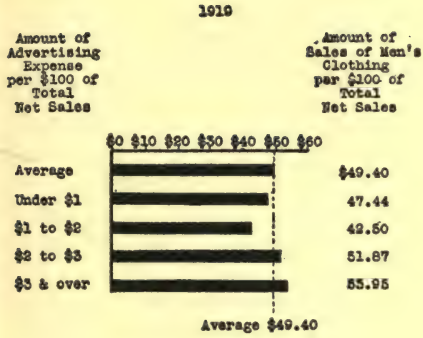
Of course, the figures here employed are averages, and such expressions are often deceptive. It is felt, however, that they may be used in this case to indicate, if not precisely to measure, the fact that as the amounts of advertising expense per $100 of total net sales increase, the number of suits of clothes sold likewise increases.

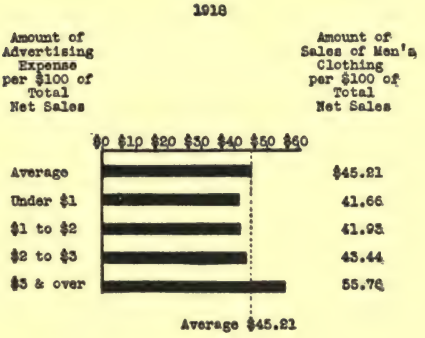
Chart 8 also refers to the relationship which obtains between the amounts of advertising expense per $100 of total net sales and the number of suits of clothes sold per store. In this chart, however, the number of suits sold per store are classified and the average amounts of advertising expense per $100 of total net sales supplied. The correlation, however, between sales of suits of clothes and advertising expense in terms of sales is no less perfect. For the combined years there is no exception to the general principle that as the average number of suits of clothes sold increases, there is a corresponding increase in the amounts of expenditure for advertising. In neither of the individual years is the correlation so perfect as it is for the combined period, yet it is marked for each of the years.

CHART 6

AMOUNT OF SALES OF MEN'S CLOTHING PER $100 OF TOTAL NET SALES, FOR STORES CLASSIFIED BY AMOUNT OF ADVERTISING EXPENSE PER $100 OF TOTAL NET SALES, 1919, 1918, AND 1914







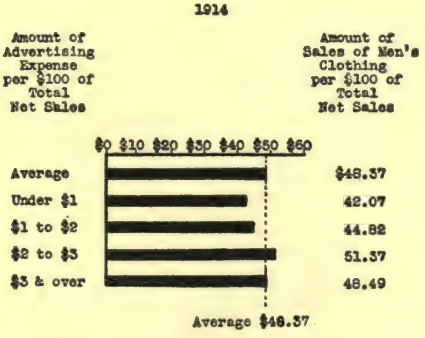
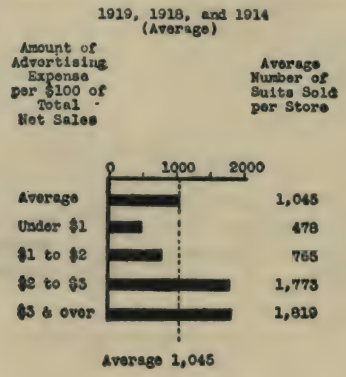
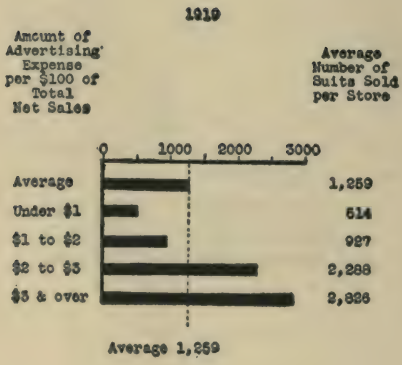
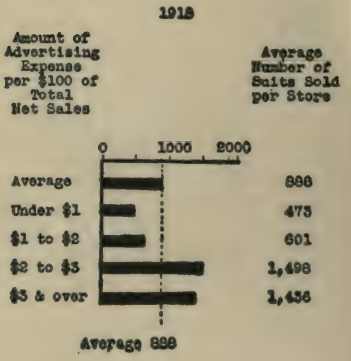


CHART 7

AVERAGE NUMBER OF SUITS SOLD PER STORE, FOR STORES SELLING SPECIFIED NUMBER OF SUITS, CLASSIFIED BY AMOUNT OF ADVERTISING EXPENSE PER $100 OF TOTAL NET SALES, 1919, 1918, AND 1914







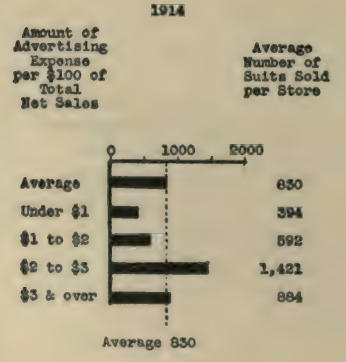
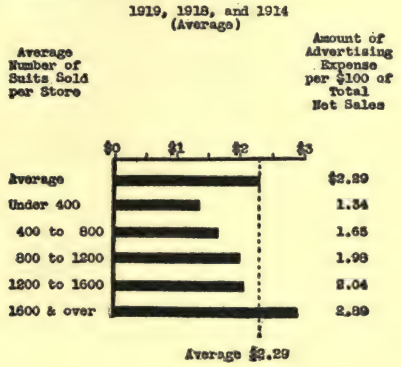
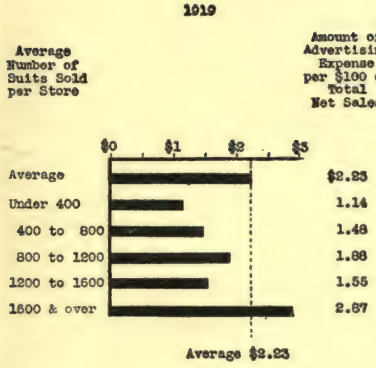
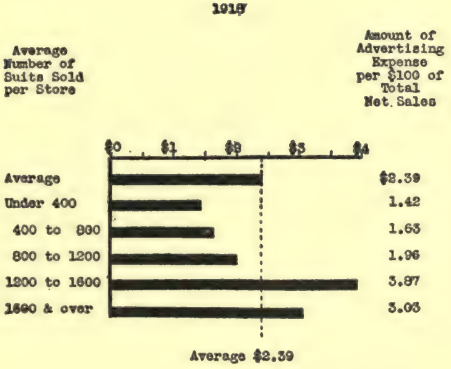


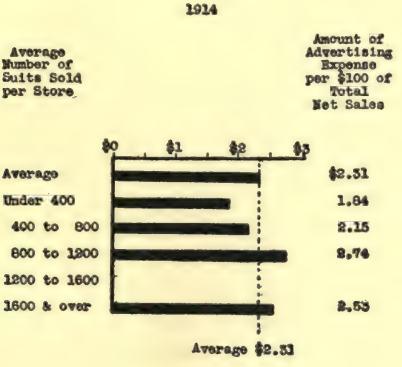
CHART 8

AMOUNT OF ADVERTISING EXPENSE PER $100 OF TOTAL NET SALES, FOR STORES CLASSIFIED BY AVERAGE NUMBER OF SUITS SOLD PER STORE, 1919, 1918, AND 1914









VI. CONCLUSION

IT is unnecessary in the concluding paragraphs of this volume to restate, either in general or in specific terms, the variety of conclusions to which a study of the detail of advertising expenditures in clothing stores has led. These are covered in Section II and in other places throughout the volume. It will suffice merely to call attention again to the fact that, before the data on this subject were analyzed and compared, they were subjected to a careful statistical audit, scrutinized for accuracy, completeness, and consistency, not with the idea of preparing them to support a particular deduction, but of reducing them to a comparable basis so that they could be used not only to measure, as accurately as possible, the amounts of advertising expenditure for stores under different conditions and circumstances, but also to determine the underlying principles, if any, governing advertising expenditures for the three years.

The methods which are followed in presenting the data are in keeping with those used in Volumes II and III. In this and the two preceding volumes, there is presented, it is felt, a comprehensive and reasonably accurate picture of the distribution of expenses in retail clothing establishments. It is not certain, of course, that the samples selected from the National Association of Retail Clothiers for study are fully typical of the clothing trade at large. If it were not for the consistency of the underlying principles established in this volume, it would be dangerous and statistically questionable to suggest that they characterize retail clothiers in general. In spite of the limitations of the data, however, and the types of stores which the samples represent, it is felt that it is reasonably safe to hold that the underlying principles here established have general application, and that they would not be materially changed had this study included a larger number of stores and clothiers outside the membership of the National Association. This contention, of course, applies more to the principles developed than it does to the particular ratios found. The latter will differ with the composition of the samples. But the ratios are not held to be mathematically accurate except for the samples included. They are developed primarily as general norms or standards, typical of the groups to which they apply and indicative of the range within which expenses fall for stores of different size and location for the years in question.

In drawing conclusions, care has been taken not to emphasize unduly the preciseness of the actual amounts nor to insist that the principles established are universal. In various places throughout the volume cautions as to the meaning of the data and the uses to which they may be

put are sounded. This study is not so much one of expense distribution, as such, as it is a study of the frequencies with which items of expense occur in different proportions in relation to sales, etc., in stores doing different amounts of business, operating under different conditions, and located in different places. The study is more of the statistical than it is of the accounting type. In an accounting study, even minor errors in the reports of individual stores would be serious; in a statistical study they may often be ignored if compensating. The picture in the aggregate may be more accurate than it is in the detail. It is believed that the data, in a reasonably satisfactory way, meet the tests of good samples, and that, on the basis of them, the distribution of expense in the retail clothing trade is adequately characterized.

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